

UK Value Investor

For Defensive and Dividend-Focused Value Investors

Brexit is just one more in an endless succession of risks

You may have wondered why I have been virtually silent on Brexit, especially as it is perhaps the most significant short, medium and long-term economic and market risk in the UK. Long-time readers can probably guess the reason, but it bears repeating anyway.



John Kingham
Editor

First of all, there is enormous uncertainty about the outcome of the referendum. It does not appear to be obvious at the moment whether the IN or OUT campaign will win. As a result it's difficult for active investors to know what to do. Should they position their portfolios for the UK staying within the EU, or should they prepare for it leaving?

Second, once the outcome is known, I don't think it's obvious how the future will unfold, whether that's over one, five or ten years. When it comes to the future this is my default position; I always think the future is uncertain which is why I focus so much on trying to invest in a very diverse group of quality companies.

The third important factor is that even if the outcome of the referendum and its implications for the future were obvious, such obvious knowledge would almost immediately be accounted for in the share price of all affected companies (or at least approximately accounted for). This is the idea of the efficient market, where the market factors all known information into company share prices so fast that it is more or less impossible to beat the market without using insider information (which is of course illegal).

As an active investor I don't believe in the efficient market hypothesis, which implies that the market is perfectly efficient. However, I do believe that the market is very efficient and more than efficient enough to turn most Brexit-related portfolio adjustments into little more than random bets.

For me, the best strategy is to always be widely diversified across as many companies, industries and geographies as can realistically be managed, in order to take advantage of opportunities and defend against risks wherever and whenever they arise.

"Through all the vicissitudes and casualties [of the last 50 years], as earthshaking as they were unforeseen, it remained true that sound investment principles produced generally sound results. We must act on the assumption that they will continue to do so." - Benjamin Graham, The Intelligent Investor (1965 edition)

John Kingham, 2nd June 2016

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FTSE 100: Long-term valuation

Valuing the market: Although stock market valuations change over time they tend to stay fairly close to their long-term average. Investors can take advantage of this tendency as it implies that markets are more likely to go up when valuations are below average and more likely to go down when above average.

Cyclically Adjusted PE ratio (CAPE)	Historic frequency of this CAPE (based on S&P 500)	FTSE 100 (currently at 6,192)	Current CAPE ratio relative to historic norms
Above 32	2%	Above 16,500	Bubble
28 - 32 (e.g. yr 2000)	5%	14,500 - 16,500	Very Expensive
24 - 28	10%	12,400 - 14,500	Expensive
20 - 24	20%	10,300 - 12,400	Slightly Expensive
14 - 20	30%	7,200 - 10,300	Normal
12 - 14	15%	6,200 - 7,200	Slightly Cheap
10 - 12	10%	5,200 - 6,200	Cheap
8 - 10 (e.g. yr 2009)	5%	4,100 - 5,200	Very Cheap
Below 8	3%	Below 4,100	Depression

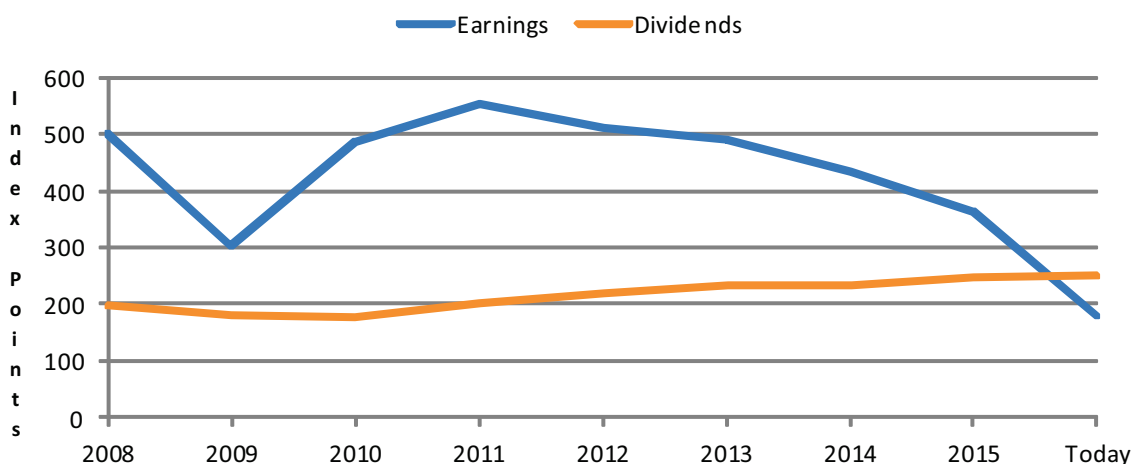
Brexit is currently making the headlines and may well have a greater short-term impact on the UK stock market than anything else. However, a greater medium-term threat to the returns of many UK investors is the incredibly weak earnings of the FTSE 100.

I mention the FTSE 100 specifically because the FTSE 250 doesn't seem to have been impacted by the current weak economic environment to anything like the same extent. In fact the FTSE 100's earnings are so weak that, as I pointed out in the March issue, the FTSE 100's dividend is no longer covered by its earnings. That in turn makes it very likely that the FTSE 100's dividend will decline over the next year or so.

I haven't look at the causes behind this massive earnings decline in any great detail, but my guess would be that the decline is centred primarily around the largest companies in the index, many of which come from either the banking or commodity-related sectors. Many of the companies within those sectors have performed extremely badly over the past few years and the question now is how quickly and to what extent their former earnings can be replaced, either by themselves or by other companies.

I certainly don't have the answers, but I do think the FTSE 100 could struggle to perform over the medium-term unless its earnings rebound strongly from their very depressed current level.

FTSE 100 Earnings and Dividends



Model Portfolio: Monthly review

Reviewing the portfolio: In order to keep a portfolio on track it's important carry out regular reviews. These reviews should include tasks such as checking overall performance against a suitable benchmark, re-analysing existing holdings when new annual results are announced and dealing with corporate actions such as mergers, acquisitions or rights issues.

Last month's trade

On May 6th I sold the portfolio's entire Tesco position (550 shares) for 159.3p each. This came to £866 after broker fees and crystallised a capital loss of 48% which was in no way offset by the total dividends received, which came to about 10% of the original investment. Obviously this was not a good outcome and you can see a more detailed explanation of what went wrong and the various lessons learned in last month's issue.

However, without wanting to sound too defeatist, the occasional loss is inevitable. That's why diversification and relatively small position sizes are so important. As long as the overall win/loss ratio is strongly tilted towards wins, the inevitable occasional loss shouldn't be too damaging to either the portfolio's value or the investor's equanimity.

Performance review

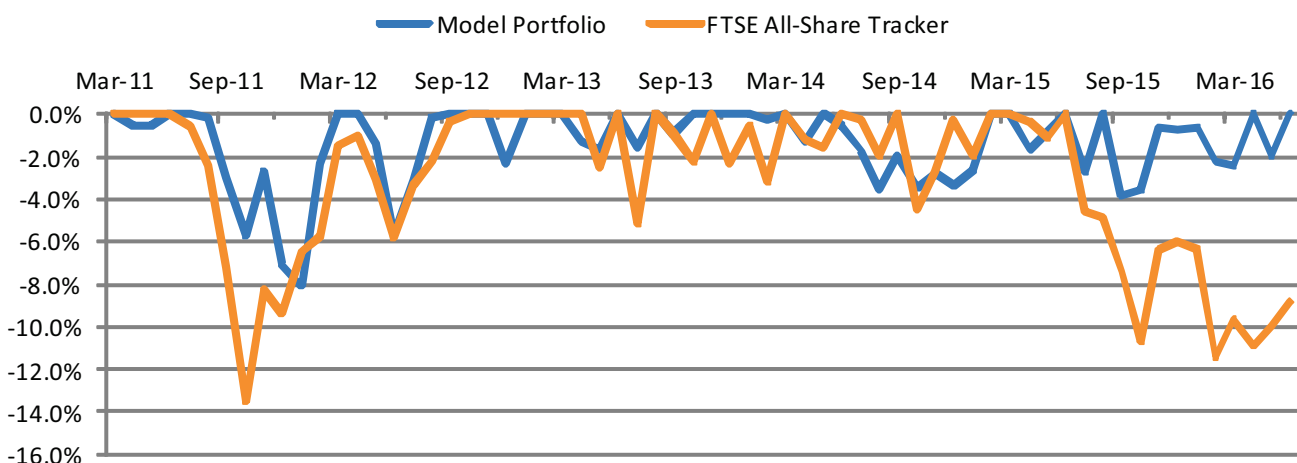
May was a positive month for both the model portfolio and its FTSE All-Share tracking benchmark. The model portfolio reached a new all-time high of slightly more than £83,000 and in the process kept its annualised rate of return from inception just north of 10%. At the same time the FTSE All-Share tracker portfolio moved back above £66,000 closing the gap to its previous all time high (of £72,000 in June 2015) to 9%.

In terms of individual companies, Homeserve gained 16% on the back of a positive set of 2016 annual results whilst Beazley gained 13% after posting positive quarterly results which showed gross written premiums up 7%. On the negative side, Rio Tinto fell 12% for no obvious reason that I could see and Centrica fell 19% largely thanks to an unexpected rights issue which was offered to institutional investors only. I've added a few more details on this rights issue below. As usual, I mention these large upward and downward movements only to highlight their insignificance to the portfolio's overall performance as in aggregate they tend to cancel each other out.

Centrica 7% rights issue

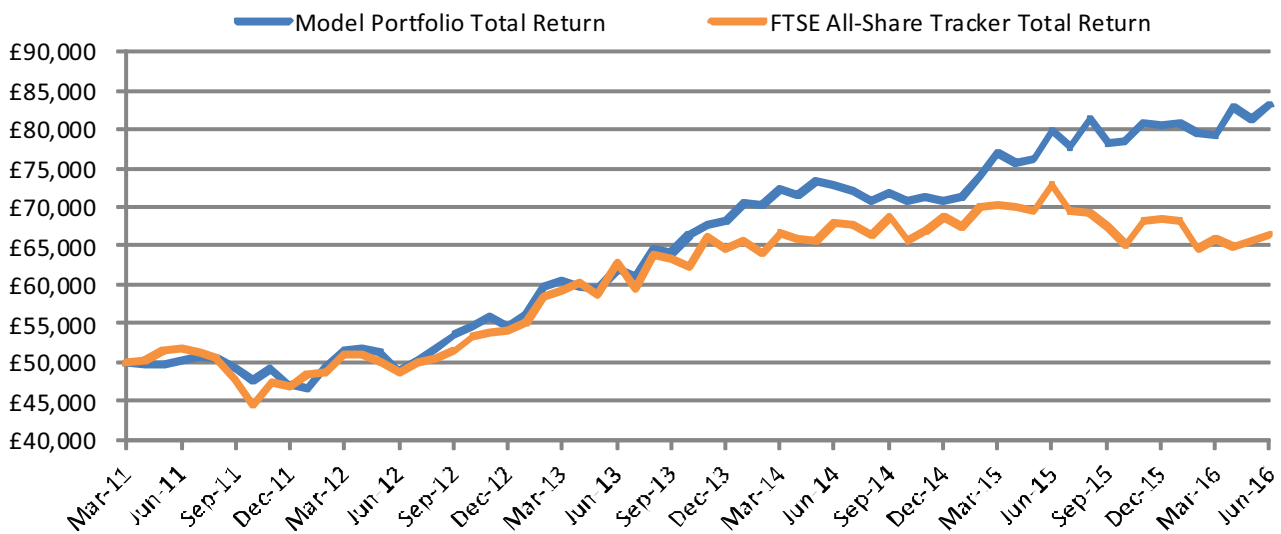
Centrica has carried out a 7% rights issue which was offered to institutional investors in order to raise around £700m. This has diluted the existing shares by the same amount, leading to a decline in the share price. According to the company's announcement, the money raised will be used for acquisitions and debt repayment in roughly equal measure.

Defensiveness (Decline from All-Time High)



Model Portfolio: Performance and diversification

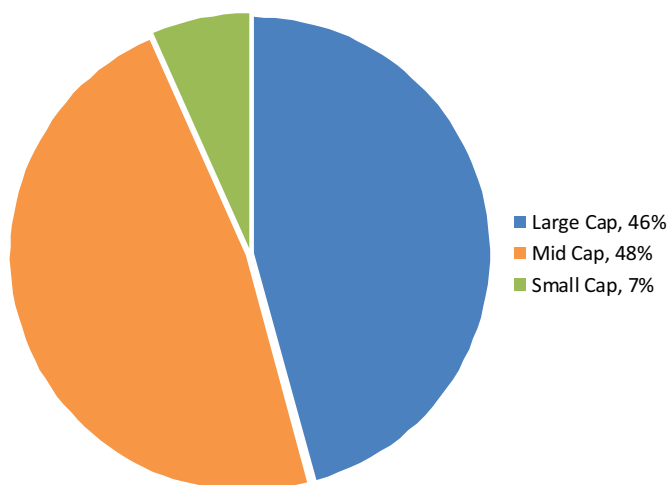
The Model Portfolio represents the portfolio of a typical investor who is still in the capital accumulation phase. It started with £50,000 in March 2011 and reinvests all dividends to generate additional growth.



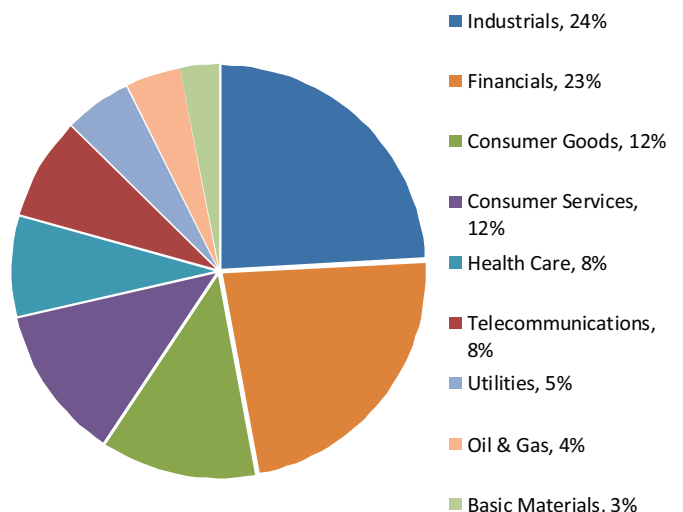
Performance	Model Portfolio (A)	FTSE All-Share Tracker Trust (B)	Difference (A) - (B)
Total return over 1 year	4.2%	-8.8%	13.0%
Total return over 3 years	34.2%	5.8%	28.3%
Total return over 5 years	65.4%	28.6%	36.8%
Total return from inception	66.3%	32.8%	32.8%
Annualised return from inception	10.2%	5.6%	4.6%
Current cash value	£83,133	£66,406	£16,727
Historic dividend yield	4.1%	3.7%	0.4%
Maximum decline over 5 years	-8.0%	-13.5%	5.5%

Average Percentage of Revenues from UK	Number of Holdings in Cyclical Sectors
42.8% (max = 50%)	16 (max = 15, i.e. 50%)

Size Allocation



Industry Allocation



Model Portfolio - Current Status

Rank	Name	EPIC	Index	Sector	Would I add to this position today?	Why?
6	Aberdeen Asset Management PLC	ADN	FTSE 250	Financial Services	Yes	Currently fits my definition of a good business at an attractive price.
2	Admiral Group PLC	ADM	FTSE 100	Nonlife Insurance	Yes	Currently fits my definition of a good business at an attractive price.
35	Aggreko PLC	AGK	FTSE 250	Support Services	Yes	Currently fits my definition of a good business at an attractive price.
69	AstraZeneca PLC	AZN	FTSE 100	Pharmaceuticals & Biotechnology	No	AstraZeneca's Growth Rate is below zero.
124	BAE Systems PLC	BA.	FTSE 100	Aerospace & Defense	No	BAE's Pension Ratio is 21.6, which is well above the rule of thumb maximum of 10.
39	Beazley PLC	BEZ	FTSE 250	Nonlife Insurance	Yes	Currently fits my definition of a good business at an attractive price.
8	BHP Billiton PLC	BLT	FTSE 100	Mining	Yes	BHP still fits my definition of a good (if highly cyclical) business at an attractive price.
94	BP PLC	BP.	FTSE 100	Oil & Gas Producers	No	BP's Growth Rate is below zero.
138	Braemar Shipping Services PLC	BMS	Small Cap	Industrial Transportation	No	Braemar's Growth Rate is below my rule of thumb minimum of 2%.
47	British American Tobacco PLC	BATS	FTSE 100	Tobacco	Yes	Currently fits my definition of a good business at an attractive price.
27	Brown (N) Group PLC	BWNG	FTSE 250	General Retailers	No	Debt ratio too high.
12	Burberry Group PLC	BRBY	FTSE 100	Personal Goods	Yes	Currently fits my definition of a good business at an attractive price.
11	Centrica PLC	CNA	FTSE 100	Gas, Water & Multiutilities	Yes	Currently fits my definition of a good business at an attractive price.
148	Chemring Group PLC	CHG	Small Cap	Aerospace & Defense	No	Growth rate below zero.
54	GlaxoSmithKline PLC	GSK	FTSE 100	Pharmaceuticals & Biotechnology	No	Glaxo's growth rate is close to zero which is below my rule of thumb minimum of 2%.
83	Homeserve PLC	HSV	FTSE 250	Support Services	Yes	Currently fits my definition of a good business at an attractive price.
14	IG Group Holdings PLC	IGG	FTSE 250	Financial Services	Yes	Currently fits my definition of a good business at an attractive price.
9	ITE Group PLC	ITE	Small Cap	Media	Yes	Currently fits my definition of a good business at an attractive price.
18	Mitie Group PLC	MTO	FTSE 250	Support Services	Yes	Currently fits my definition of a good business at an attractive price.
41	Morrison (Wm) Supermarkets PLC	MRW	FTSE 100	Food & Drug Retailers	No	Morrison's combined debt and pension ratio is above the maximum of 10.
1	Petrofac Ltd	PFC	FTSE 250	Oil Equipment, Services & Distribution	No	Petrofac's debt ratio is now above my rule of thumb maximum of 4 for cyclical stocks.
101	Reckitt Benckiser Group PLC	RB.	FTSE 100	Household Goods & Home Construction	No	Currently fits my definition of a good business but it is one of the five lowest ranked holdings, so it may be sold soon.
3	Restaurant Group (The) PLC	RTN	FTSE 250	Travel & Leisure	Yes	Currently fits my definition of a good business at an attractive price.
60	Rio Tinto PLC	RIO	FTSE 100	Mining	Yes	Still fits my definition of a good (if highly cyclical) business at an attractive price.
63	SSE PLC	SSE	FTSE 100	Electricity	No	SSE's debt ratio is now above my rule of thumb maximum of 5 for defensive stocks.
76	Standard Chartered PLC	STAN	FTSE 100	Banks	No	The dividend has been suspended and a rights issue announced so I would not add to this holding at the moment.
20	Telecom plus PLC	TEP	FTSE 250	Fixed Line Telecommunications	Yes	The PE10 ratio is above my rule of thumb maximum of 30 but the yield is about 4%, so I would still add to this holding.
103	Tullett Prebon PLC	TLPR	FTSE 250	Financial Services	No	Tullett's growth rate is below zero. It is also one of the bottom five ranked holdings and could be sold soon.
74	Vodafone Group PLC	VOD	FTSE 100	Mobile Telecommunications	Yes	Currently fits my definition of a good business at an attractive price (although the debt ratio is fractionally too high).

Model Portfolio: Latest interim results

3rd May: Aberdeen Asset Mgmt, Financial Services (cyclical), Mid-Cap (£3.9bn)

“We are a pure asset management company and only manage assets for third parties, allowing us to focus solely on their needs. Our clients access our investment expertise drawn from three main asset classes: equities, fixed income and property, as well as tailored solutions.” (www.aberdeen-asset.com)

Revenue down 20%	Dividend unchanged
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Quotes from the interim results

“These results reflect the challenging conditions Aberdeen has faced during the past three years, in particular the weakness in emerging markets. However our balance sheet strength has allowed us to continue to invest in the business, including the completion of a number of bolt -on acquisitions which have added new capabilities and new client channels. We have strengthened the management team with senior appointments in distribution and operations. Our broad product suite and global distribution platform means we are well placed to meet the long- term needs of an ever increasing number of investors around the world.”

“We have seen recent evidence that our long-term, value-based equity investment process is once again beginning to find favour with investors. This provides encouragement for the longer term, but we envisage that markets may continue to provide challenges in the short term. However, we are attracting interest in our broader product range and our distribution effort will be focused on winning new assets across our many capabilities. We will continue to invest in the efficiency of the business to ensure that we deliver the highest levels of client service.”

9th May: ITE Group, Media (cyclical), Small-Cap (£0.4bn)

“We are one of the world’s leading organisers of international trade exhibitions and conferences and specialise in organising events in growing and developing markets. We organise over 240 exhibitions and conferences each year worldwide with many market leading events.” (www.ite-exhibitions.com)

Revenue up 13%	Dividend down 40%
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Quotes from the interim results

“ITE has delivered a creditable set of interim results, against some challenging trading conditions in its core markets. As anticipated, [...] gains [from acquisitions] were partially offset by the ongoing effect of the current trading environments in the oil and gas dependent economies of Russia and Central Asia, and the effect of their weaker currencies on our results.”

“These newly acquired businesses [...] have helped to move the Group's business towards a more balanced geographical portfolio. The Group is now anticipating a period of integration and development for its recent acquisitions.”

“The recent greater stability in oil prices has supported a more positive outlook for Russia, which is now expected to have some economic growth over the course of the calendar year 2017.”

“With the current lower levels of trading in Russia and Central Asia, the Board believes that rebuilding dividend cover to historic levels of more than 2 times earnings is in the best long-term interest of shareholders. Accordingly the Board has announced a reduced interim dividend this year of 1.5p. The Board expects to be able to resume a progressive dividend policy in the future.”

Model Portfolio: Latest annual results

16th May - Braemar Shipping, Industrial Transport (cyclical), Small-Cap (£0.1bn)

“Braemar Shipping Services is a leading international provider of broking, consultancy, technical and other services to the shipping, marine, energy, offshore and insurance industries” (www.braemar.com)

Revenue Up 9%	10-Yr avg. earnings Unchanged	Dividend Unchanged	Debt ratio 0.3 (cyc. max 4)
Pension ratio 2.0 (max 10)	10-Yr capex ratio 20% (low)	10-Yr acquisition ratio 35% (max 100%)	Pass buy criteria? No (growth too low)

Quotes from the annual results

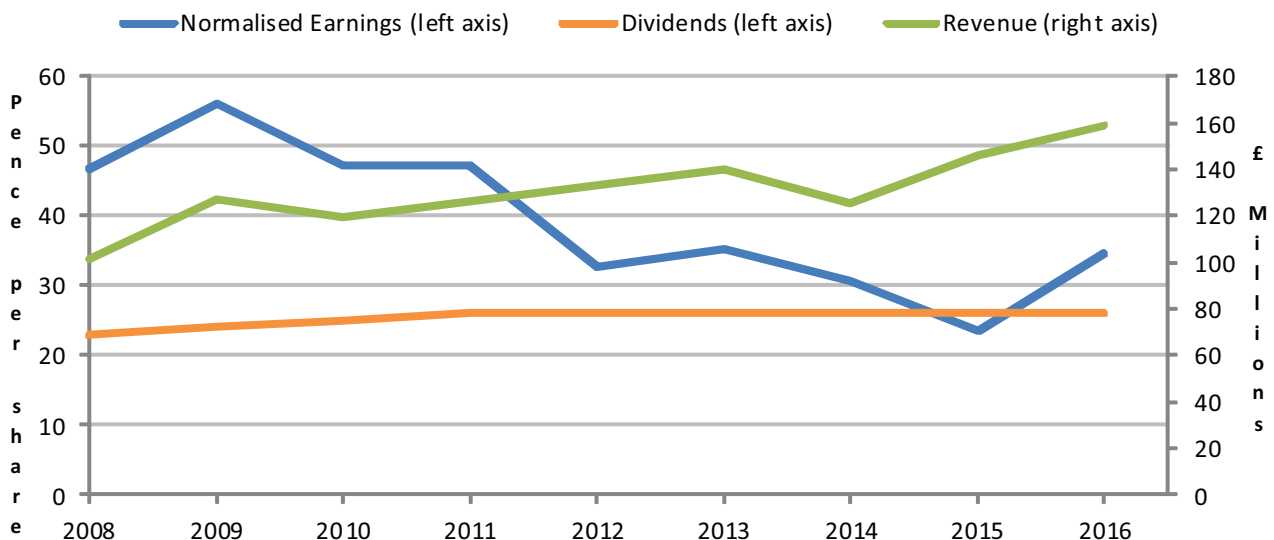
"Braemar had a good year and achieved a strong, resilient performance despite some challenging shipping and energy markets. Our full year results showed a significant improvement on the prior year, demonstrating the success of our strategy to diversify and grow the Group."

"The Shipbroking business performed strongly as our diversity of services increased our competitive edge, enabling us to capitalise on a strong tanker market."

"Our Technical division continued to respond positively to conditions in the energy sectors. While we do not expect to see a short term recovery in oil and gas exploration, early and rapid management action to address these challenges mean that the division is appropriately structured for the current phase of the market cycle and well positioned for the long term."

"The Logistics division had a tough year, but is well set to deliver future growth having won some important new business."

"We are pleased to have delivered on our objectives for the year, taking the opportunity to grow the business in both scale and strength during a period when activity in some of our core markets was reduced. We anticipate that our markets will continue to experience volatility and uncertainty, but that the balance of our portfolio creates greater stability which will enable us to continue to build the business. Our expectation for 2016/17 is for a broadly similar activity level overall, with the added potential for both organic and acquisitive growth."



Model Portfolio: Latest annual results

17th May - Vodafone, Mobile Telecoms (defensive), Large-Cap (£59.6bn)

“30 years ago, the first mobile phone call on our UK network was made. Since then we’ve grown from a UK mobile company to a multinational telecommunications leader.” (www.vodafone.com)

Revenue Down 3%	10-Yr avg. earnings Up 5%	Dividend Up 2%	Debt ratio 5.2 (def. max 5)
Pension ratio 0.6 (max 10)	10-Yr capex ratio 86% (medium)	10-Yr acquisition ratio 23% (max 100%)	Pass buy criteria? Yes (but debt is high)

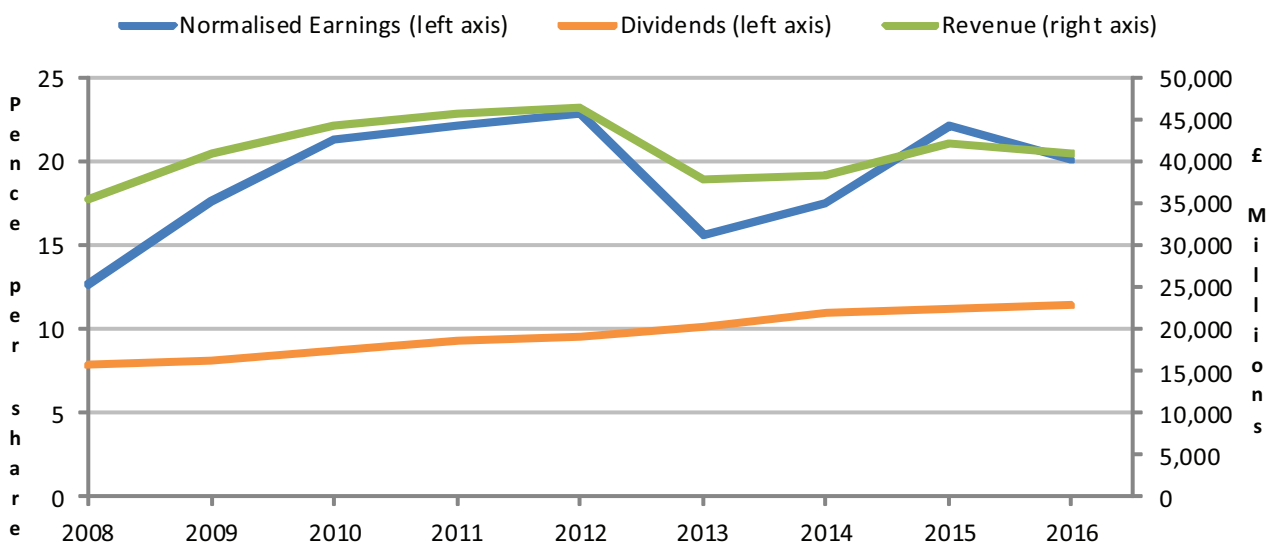
Quotes from the annual results

"This has been a year of strong execution for the Group, returning to organic growth in both revenue and EBITDA for the first time since 2008. We achieved the first quarter of positive revenue growth in Europe since December 2010 while growth in AMAP [Africa, Middle East, Asia Pacific] accelerated with strong performance in South Africa, Turkey and Egypt. EBITDA margins also grew year-on-year, supported by our cost efficiency programmes."

"We have now successfully concluded our [£19bn] Project Spring organic investment programme. This has transformed the quality of our technology, enhancing our customers' experience and enabling us to expand our Enterprise services. We are pleased to be the leader or co-leader in mobile network quality tests and Net Promoter Scores in the majority of our markets. We have also posted a record quarter of net additions in fixed as our convergence strategy continues to accelerate."

"In the coming financial year it will be important to build on the improving execution seen during the 2016 financial year as we continue to monetise our Project Spring investments and work towards further improvements in customer experience. Additionally, we intend to continue to pursue incremental operating efficiencies across all of our operating companies. We are initiating a series of IT transformation projects which we anticipate will deliver significant long-term benefits in terms of both cost savings and enhanced strategic flexibility."

"[...] we believe that there are attractive investment opportunities available to further accelerate our growth and improve our long-term strategic positioning. [Improving] cash generation, combined with healthy growth and continued operating leverage, provides us with the visibility to sustain a progressive dividend policy."



Model Portfolio: Latest annual results

18th May - Burberry Group, Personal Goods (defensive), Large-Cap (£5.1bn)

“Burberry is a global luxury brand with a distinctive British identity. [It] has built a reputation for design, innovation and craftsmanship. [...] outerwear has been at the core of the business and remains so today – best expressed through the iconic Burberry trench coat.” (www.burberryplc.com)

Revenue Unchanged	10-Yr avg. earnings Up 9%	Dividend Up 5%	Debt ratio 0.2 (def. max 5)
Pension ratio No DB scheme	10-Yr capex ratio 48% (low)	10-Yr acquisition ratio 4% (max 100%)	Pass buy criteria? Yes

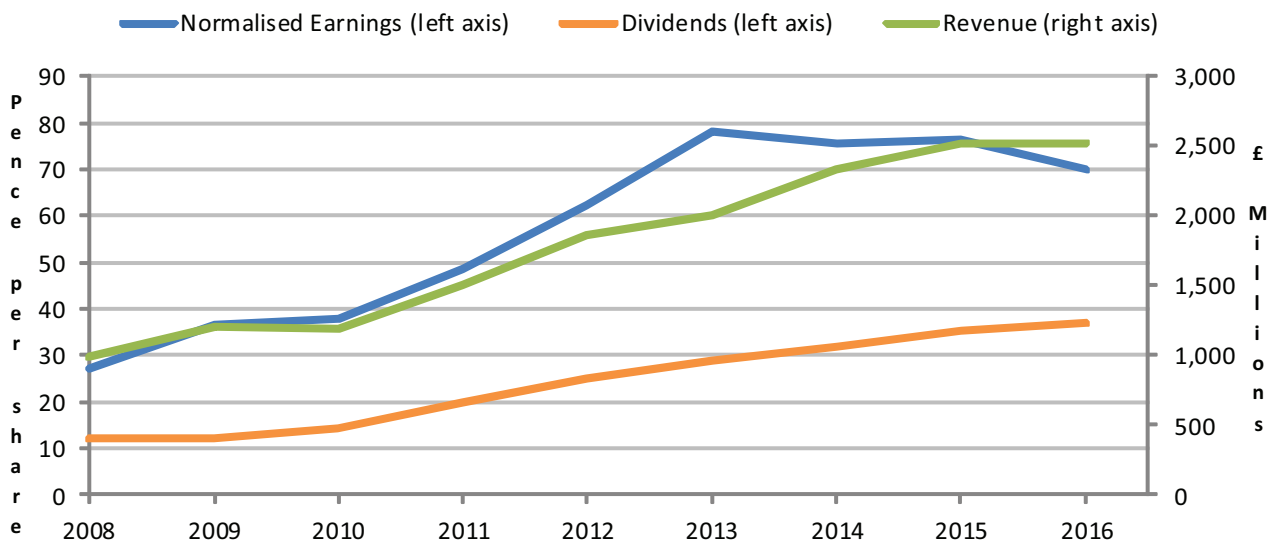
Quotes from the annual results

"Burberry's performance in FY 2016 reflected a difficult period for the luxury sector as a whole as demand slowed in many markets for both cyclical and structural reasons. Against this backdrop, brand momentum remained strong and innovation around product, digital and marketing continued, while discretionary costs were tightly controlled."

"Since 2010, the personal luxury goods market has grown on average by about 7% per annum at constant exchange rates, largely driven by the emergence of the Chinese luxury consumer. Looking forward for the next five years: The luxury market is expected to grow on average by a low single-digit percentage per annum at constant exchange rates; The majority of sector growth is expected to come from new and existing Chinese consumers, both when travelling and, increasingly, at home."

"Our brand strength is driven by a blend of heritage and innovation, expressed through our iconic products and fashion newness. Based on customer research, Burberry is among the top five luxury brands globally for unaided awareness. For the Chinese consumer, our research shows brand recognition and desirability entirely consistent with our core luxury peers. Against this background, we have identified significant growth opportunities across our existing channels, products and regions."

"Looking forward, we believe that our initiatives will enable Burberry to again outperform sector growth in the £200bn global luxury market, creating further shareholder value. We expect our product and retail initiatives [...] to deliver strong organic growth, with outperformance accelerating over time. We have also identified a programme of actions to deliver at least £100m of annualised cost savings by FY 2019. This is equivalent to about 10% of our operating expenses excluding fixed rent and depreciation."



Model Portfolio: Latest annual results

18th May - SSE, Electricity (defensive), Large-Cap (£61.0bn)

“At SSE, our job is to provide the energy people need in a reliable and sustainable way. We're involved in producing, distributing and supplying electricity and gas and we provide other energy-related services as well.” (sse.com)

Revenue Down 9%	10-Yr avg. earnings Up 2%	Dividend Up 1%	Debt ratio 7.3 (def. max 5)
Pension ratio 4.3 (max 10)	10-Yr capex ratio 149% (high)	10-Yr acquisition ratio 33% (max 100%)	Pass buy criteria? No (Debt too high)

Quotes from the annual results

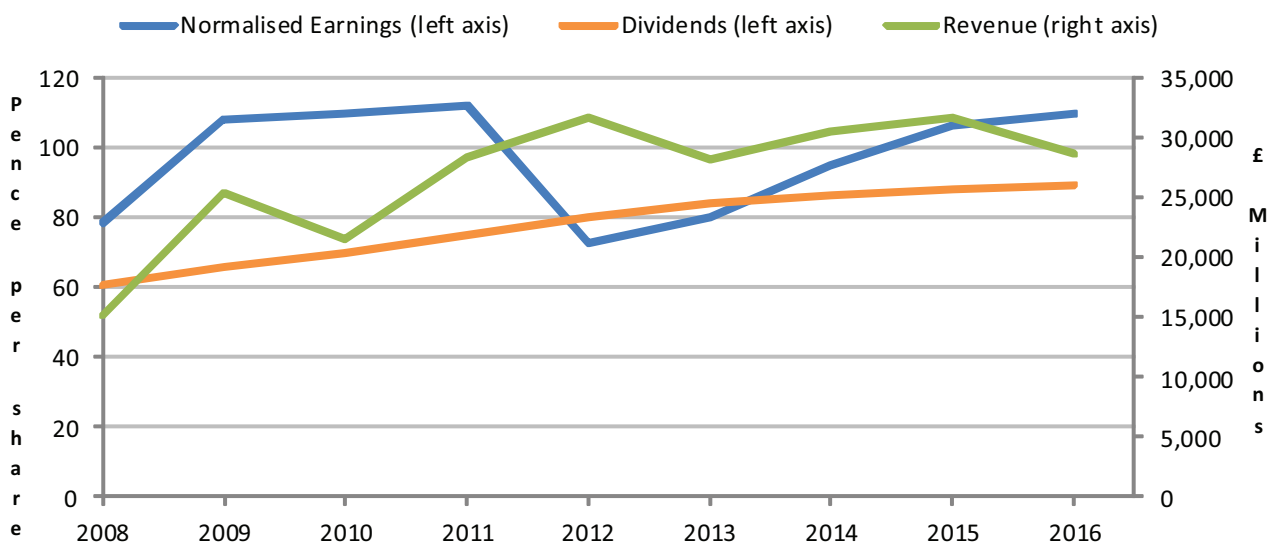
“In 2015/16, SSE again delivered what it said it would. Nevertheless, the operating environment presented a number of complex issues. In this context SSE continues to operate within a clearly defined strategic framework built on efficient operations, disciplined investment and maintaining a balanced range of businesses across the energy sector - in production, storage, transmission, distribution, supply and related services”

“The energy markets in GB and Ireland are undergoing technological, regulatory and demographic changes. SSE believes that its strategic framework continues to be the right one to give it both the foundations and the flexibility to navigate through a changing market and changing regulatory conditions.”

“In 2015/16 there were continued uncertainties in aspects of SSE's operating environment. After a period of regulatory and legislative uncertainty, however, a degree of clarity is emerging and during the course of the year there has been increasing visibility around the shape of the future policy and regulatory framework affecting energy markets in Great Britain. This provides grounds for some cautious optimism for the future.”

“The fundamental strength of the business is its focus on efficiency, strong financial management, and the maintenance of a balanced range of businesses in the energy sector. This provides substantial opportunities for long-term growth and its track record in, and ongoing commitment to, operational efficiency and financial management stands SSE in good stead for the future.”

“This helps to ensure that SSE is in a good position to achieve its first financial objective for shareholders: annual increases in the dividend that at least keep pace with RPI inflation in 2016/17 and beyond.”



Model Portfolio: Latest annual results

23rd May - Mitie, Support Services (cyclical), Mid-Cap (£1.0bn)

“We provide a wide range of facilities management (FM) services across the UK, Ireland and Europe. Our property management business provides repair and maintenance services in the social housing markets. And we provide high quality homecare in the UK.” (www.mitie.com)

Revenue Down 2%	10-Yr avg. earnings Up 6%	Dividend Up 3%	Debt ratio 3.6 (cyc. max 4)
Pension ratio 2.6 (max 10)	10-Yr capex ratio 39% (low)	10-Yr acquisition ratio 57% (max 100%)	Pass buy criteria? Yes

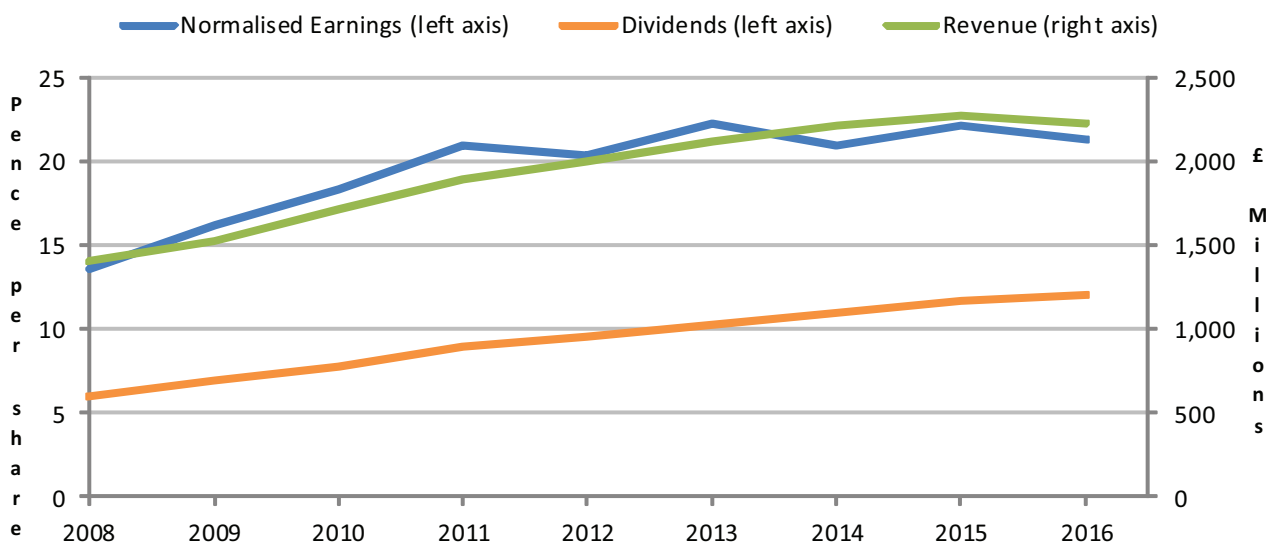
Quotes from the annual results

“This has been a year of good overall progress for Mitie. We have had a steady flow of new contract awards and have now successfully re-bid or extended all of our major integrated facilities management contracts. Although we faced some unanticipated macroeconomic headwinds that impacted sales growth, we have maintained strong margins, and good operating profit before other items. Cash conversion remains high and we have achieved substantial growth in [basic] earnings per share.

The short-term momentum of the business has been impacted by a number of economic pressures during the year. These include lower UK growth rates, further government spending cuts, increasing labour costs and uncertainty relating to the upcoming EU referendum. Despite these economic pressures, we have made good progress and demonstrated what a truly resilient business model we have.

Our FM business continues to perform well, particularly in the area of integrated FM where we have successfully re-bid or extended all of our major integrated contracts until at least 2019. Revenues were slightly lower than the prior year, partly due to new contract awards being mobilised late in the financial year, and also as a result of some project works being delayed or cancelled. However, with new contracts starting in the new financial year, a good pipeline of sales opportunities and a number one market position in the UK, we are positive about the potential for long-term growth. We have [also] seen growth in our property management business and although healthcare had a challenging year, we continue to see positive long-term opportunities. “

“We continue to see a range of good outsourcing opportunities across our key markets and anticipate modest growth in the new financial year. We remain positive about the prospects for the group's future.”



Model Portfolio: Latest annual results

24th May - HomeServe, Support Services (cyclical), Mid-Cap (£1.3bn)

“We provide home emergency, repair and heating installation services to over 6.3m customers. Our established businesses operate in the UK, USA, France and Spain, and we have a developing business in Italy.” (www.homeserveplc.com)

Revenue Up 8%	10-Yr avg. earnings Up 4%	Dividend Up 10%	Debt ratio 3.1 (cyc. max 4)
Pension ratio 0.4 (max 10)	10-Yr capex ratio 45% (low)	10-Yr acquisition ratio 35% (max 100%)	Pass buy criteria? Yes

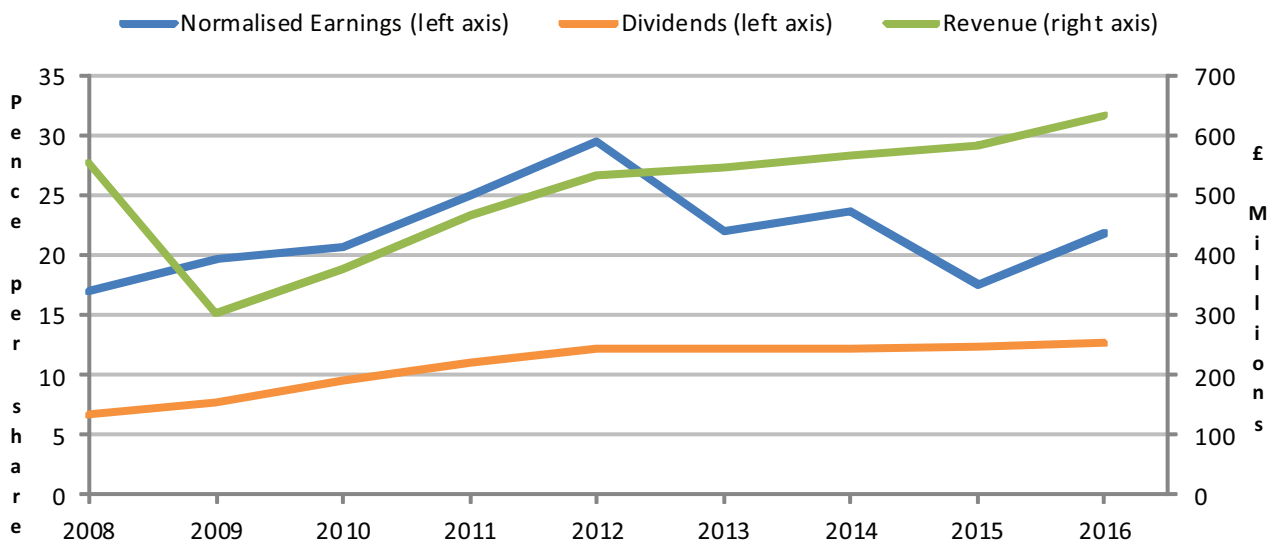
Quotes from the annual results

“This has been a very good year for the Group, delivering 9% adjusted profit growth to £93.0m and 11% customer growth to 7.0m, with over two thirds of our customers now outside the UK. The USA is our most significant opportunity and we are particularly pleased with the recently announced agreement to acquire Utility Service Partners Inc. (USP) which will increase our US utility partner footprint to 42m households.”

“Focussing on our strategic priorities, we have made good progress across a number of areas of the business. We have added 11 new partnerships in the USA and renewed six long-term agreements in the UK such that we now work with over 90 affinity partners across the Group. We continue to invest in business development in all of our markets to establish relationships and sign new affinity partners.”

“During the year we completed the acquisition of Home Energy Services Limited in the UK which, combined with our existing franchise and sub-contractor network, significantly increases our gas delivery capability in the UK. Focussing on heating services, we now offer heating installations services in the USA with investment planned in the UK to further develop our franchised heating installation network.”

“All of our businesses are performing well and have good prospects. Looking ahead, we expect Group growth to be driven primarily by our international businesses, with the UK continuing to deliver a solid performance. We are particularly excited by the prospects for our US business where profits increased significantly in FY16 whilst at the same time delivering strong customer growth. As previously announced, the acquisition of Utility Service Partners will be earnings neutral in FY17 due to increased marketing investment and integration costs however, we expect adjusted EBITDA in FY18, the first full year of ownership of USP, to be enhanced by around \$15m. The Group anticipates further good growth in FY17.”



Buying: Senior PLC (SNR)

Improve the portfolio : As companies grow (or shrink) and as their share prices go up (or down) the attractiveness of the investment changes. If a company's share price shoots up quickly its shares may no longer represent good value for money, while a company that falls into a long-term decline may no longer be remotely defensive. In both situations selling can be the right course of action.

Price on 1st June 2016 217p	Index FTSE 250	Sector Aerospace & Defense
FTSE Market Cap £911 million	Revenue £850 million	Normalised Post-tax Profit £71 million

“Senior is an international, market-leading, engineering solutions provider. Senior designs, manufactures and markets high-technology components and systems for the principal original equipment producers in the worldwide aerospace, defence, land vehicle and energy markets.” (www.seniorplc.com)

Overview

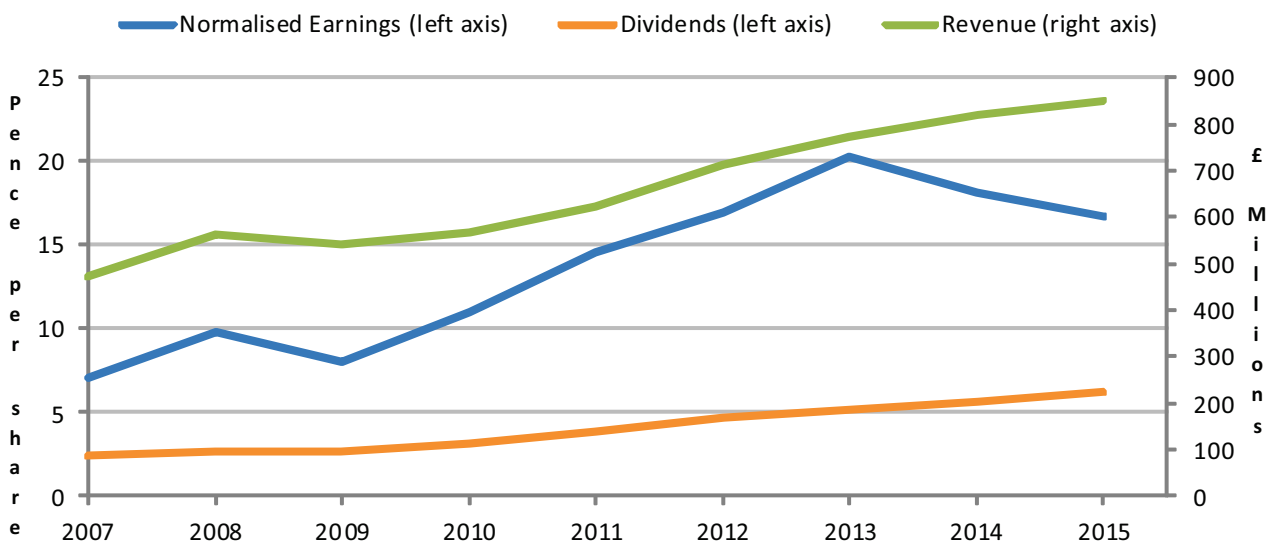
Senior was founded in 1933 as Senior Economisers when a few employees of Green's Economisers set up in competition against their old company. Given that two of the founding directors were David and Francis Lycett-Green (Francis was the Chairman of Green's Economisers) it looks as if a family falling out may have been the reason for the creation of Senior. Unfortunately I could not uncover any more detail than that.

From the beginning Senior was involved in fuel efficiency through its fuel economiser and although the economiser itself is history, fuel efficiency is still a major part of Senior's business today. Along the way various acquisitions led the company into a wider range of mechanical engineering activities, with the company now operating as a interdependent group of semi-autonomous businesses involved in the design and manufacture of components for the aerospace industry (used in airframes, fluid systems and gas turbine engines) and Flexonics (primarily tubing and ducting for land vehicles and industrial uses).

Senior has a good record of growth which has occurred both organically and through acquisitions. However, in the last couple of years profits have fallen as some of its end markets have slowed.

Growth Rate 12.0% (min 2%)	Dividend Yield 2.9%	Profitability 11.7% (min 7%)	PE10 15.9 (max = 30)
Growth Quality 79% (min 50%)	Debt Ratio 2.9 (max 5)	Pension Ratio 4.3 (max 10)	Rank 36 (out of 240)

Green = Better than FTSE 100; Pink = Worse than FTSE 100; Red = Outside the "rule of thumb" minimum or maximum values



Investment checklist

Successful investing requires the methodical application of a systematic approach in order to achieve specific objectives, and a checklist is a great aid towards that end. This checklist helps to ensure that the company under investigation is high quality and that its shares are likely to improve the portfolio in the long-run.

Maintaining and increasing portfolio diversification

1. Will this purchase leave the portfolio's average UK revenues at less than 50%?

YES Senior generates 18.9% of its revenues from the UK so it will reduce the portfolio's UK exposure.

2. Will this purchase leave the number of holdings from cyclical sectors at 15 or less?

NO Although Senior is from the defensive Aerospace & Defense sector, the portfolio still currently has 16 cyclical holdings. However, the addition of Senior does at least avoid increasing those cyclical holdings further.

3. Will this purchase leave the number of holdings from this company's sector at 3 or less?

YES There are currently two other Aerospace & Defense sector holdings in the portfolio (BAE Systems and Chemring) so Senior will be the third and last for now.

Avoiding value traps

Good management

1. Is the company focused on a clear and consistent goal and strategy?

YES The company has had the same goal and broadly the same strategy for many years.

Goal: Senior's primary performance objective is to create long-term and sustainable growth in shareholder value.

Strategy: The company aims to achieve that goal through the development of a portfolio of collaborative high value-added engineering manufacturing companies operating within its chosen five market sectors. Operations are focused on manufacturing components and systems for original equipment manufacturers (OEMs) and the company's products are typically highly engineered and require advanced manufacturing processes.

The five market sectors consist of three in Aerospace (consisting of 19 subsidiaries and representing 68% of total revenue) - Structures, Fluid Conveyance Systems and Gas Turbine Engines; and two in Flexonics (consisting of 14 subsidiaries and representing 32% of total revenue) - Land Vehicle Emission Control and Industrial Process Control. The company expects each of these market sectors to provide healthy and accessible growth opportunities and various strategic objectives have been developed to exploit them.

2. Does the company have an obvious core business that the strategy is focused on?

YES As described above, Senior's core business is the design and manufacture of advanced and highly engineered components for its five market sectors.

Adequate financial control

3. Do the Key Performance Indicators (KPIs) focus on factors beyond revenue and EPS growth such as profitability, leverage, liquidity and investment?

YES There are KPIs for return on revenue (margin) and capital, both of which are measures of profitability. Profitability is perhaps the most important non-growth factor to measure in my opinion.

Low costs

4. Scale: Is the company in the leading group in terms of market share?

YES Senior describes itself as market-leading as do many of its individual subsidiaries. For example, one of its latest acquisitions, Steico Industries, is the world leader in aerospace tube and duct assemblies.

5. Experience: Has the company had the same core business for many years?

YES Senior has been involved in efficiency technologies since its founding in 1933 and tubing, ducting and high precision engineering components from not long after 1933.

Caution with big projects

6. Is the company free of “bold” projects which could push it into a major crisis?

YES There are no bold bet-the-company projects that I can see.

7. Is the company free of the need for large capital expenditures (capex)?

YES Over the past decade Senior’s capex came to 45% of profits. I consider anything below 50% as low, so I would categorise Senior as a low capex company.

8. Are revenues generated by the sale of a large number of small-ticket items rather than major one-off contracts?

NO Although Senior manufactures many thousands of individual components those components are not sold or ordered on an ad-hoc basis. Instead the company signs contracts to supply predefined sets of components to OEMs which are then used to build and maintain end products such as aircraft, cars, oil rigs and all manner of other things.

A good way to reduce risk from large contracts is to not become over-dependent on any one contract or customer. In Senior’s case its largest customers are Boeing (12% of revenues) and Rolls-Royce (10%). It’s difficult to know exactly what over-dependent is, but personally I think it would need to be more than 12%.

Caution with acquisitions and mergers

9. Has the company avoided mergers or large acquisitions in the last few years?

NO Senior’s business model is to operate as a portfolio of companies in order to get the best of both worlds of entrepreneurial autonomy as well as synergistic collaboration (apologies for the buzzwords).

As such it is no surprise that the company has spent an average of 70% of profits on acquisitions over the past decade and has spent more than 100% of profits on acquisitions in 2009, 2011 and 2015. The largest acquisitions were:

2009: Capo Industries (£44m) - Capo Industries specialises in the machining of titanium and steel alloys primarily for auxiliary power units on large commercial aircraft and for propulsion engines on business jets.

2011: Damar Machine (£15.8m) - Damar is principally a manufacturer and integrator of precision machined parts and assemblies for the commercial aerospace industry; Weston EU Limited (£53.0m) - Weston has a well established reputation in the aerospace industry, specialising in the machining and assembly of aerofoils, aluminium and hard metal structural parts and premium aircraft-seat structures.

2015: Lymington Precision Engineering (£45.8m) - Manufactures precision-machined components, fabrications, assemblies and kit sets for the oil and gas, telecommunications, aerospace, defence, land and sea systems, nuclear and marine industries; Steico Industries (£50.2m) - A leading manufacturer of precision tube and duct assemblies for the commercial and defence aerospace industries.

10. Has the company avoided large acquisitions that have little to do with its core business?

YES All of the company's large acquisitions were very closely related to its core businesses.

Ability to adapt to changing market demand

11. Does the company operate primarily in defensive markets?

NO Although the Aerospace & Defense sector is defined as defensive in the Capita Dividend Monitor, I think Senior is primarily exposed to cyclical markets. For example, the company's revenues are generated 55% from the commercial aerospace industry (cyclical), 15% from military aerospace (defensive), 15% from land vehicles (cyclical) and 15% from petrochemical, power and other industrial uses (mostly cyclical).

Having said that, Senior operates in a wide variety of end markets, most of which have different cycles from one another. That diversity of market cycles is likely, in my opinion, to reduce their aggregate cyclicity in much the same way as a diverse portfolio of stocks can reduce volatility. Also, Senior supplies components for both newly built end products (e.g. engines) and their maintenance, and maintaining those products is, generally speaking, a more defensive activity. For example, in a recession Boeing may build less aircraft, but the engines of existing aircraft still have to be serviced (although perhaps slightly less frequently).

12. Does the company operate in markets where the pattern of demand (whether cyclical or defensive) is unlikely to be disrupted in the short or medium-term?

YES Having spent a couple of days reviewing Senior I haven't found any significant evidence of impending disruption to the pattern of demand for components in its key markets.

13. Does the company operate in markets where demand is expected to grow?

YES The company operates in a range of markets and the growth prospects for each of them is as follows:

Commercial aircraft: Annual growth in global passenger air traffic is forecast to continue and is the key driver of demand for new commercial aircraft, and hence for many of Senior's core aerospace products. Senior has also secured significantly higher content on several new engine versions of leading aircraft than the current versions, allowing the company to outgrow the market as these new engine versions come into service and production ramps up.

Military aerospace : Senior's revenue from this sector is expected to benefit from several new military aircraft where production is scheduled to ramp-up significantly between now and the end of the decade. Also, European and US defence budgets are starting to rise following increased geopolitical tensions.

Land vehicles: Demand for the majority of Senior's products in the land vehicles market is linked to the increasingly stringent global requirements for reduced carbon emissions. This arises in the form of reduction targets for emissions from vehicles and increased fuel efficiency from their engines.

Industrial: Senior designs and manufactures products for petrochemical, HVAC (heating, ventilation, air conditioning) and power and energy markets, to meet an increasingly stringent regulatory environment. Over the longer term, projected increases in global energy usage, tightening emission control regulations and emerging changes in power generation should drive increased global demand for Senior's industrial products.

Competitive product, service and price

14. Does the company generate most of its profits from products or contracts that do not need to be replaced in the next 10 years?

NO My expectation is that most of Senior's products will need to be replaced within the next ten years, in line with the replacement and improvements of its customers' end products. I don't see this as particularly problematic though, partly because the company doesn't depend on any one product to any meaningful

extent, but also because improving and redesigning components and products is one of Senior's core competencies.

15. Does the company sell differentiated products that do not compete purely on price?

YES Senior's products are often critical components in a larger system. The benefits of saving a few pence on a given component will often be outweighed by the risk of those components failing, or not performing to standard. I would say that reliability and performance, rather than price, are of primary importance.

Indifferent to commodity prices

16. Is the company relatively immune to commodity price movements?

YES Although Senior's products are usually made out of commodity materials, I don't think the company's results are primarily driven by commodity price cycles.

Sound financial policy

17. Does the company have a target rate of return on investment of more than 10%?

YES The company has a target of producing a pre-tax return on capital employed of more than 15%.

18. Is the company's use of leverage conservative enough given the preceding answers?

YES The company's debt ratio is 2.9 and I don't see any obvious reason why that would be too high.

19. Are the chances of this company becoming a value trap acceptably low (and if so, why are the shares attractively priced)?

YES Having looked at Senior's latest annual results and other statements, I don't think the company is having any sort of crisis at the moment and there is no obvious reason to expect a dividend cut or worse. As such I don't think Senior is likely to be a value trap, at least in the medium-term. So if Senior isn't in serious trouble, why is it ranked highly on the stock screen?

The first thing to say is that Senior doesn't have an extremely high ranking. Its rank is 36, which is somewhat low for a new purchase. The reason I have selected Senior rather than a higher ranked company is that the model portfolio needs a defensive sector stock, and Senior is the highest ranked defensive sector stock which is suitable.

In terms of valuation, I don't think Senior is obviously cheap. It has a 2.9% dividend yield and a PE ratio of 13 and neither of those would be particularly attractive for most companies. However, Senior is not most companies. It has a very good track record of fairly consistent double digit growth, extremely good dividend cover, a strong balance sheet and what appear to be good prospects for future growth. Put another way; most companies with a history of double digit growth and the potential for continued double digit growth do not have near-3% dividend yields.

In terms of why the shares might be cheap (although not obviously cheap), I would say the primary reason is the company's Flexonics division. While the aerospace division continues to grow organically, the Flexonics division is having a hard time at present. Sales of North American heavy-duty diesel trucks, many of which use Senior components, is slow and is expected to continue to slow further, while the off-highway vehicle market is also slow, partly due to the current low-point in the commodity and oil markets. Both of these are expected to be cyclical phenomenon and in the longer-term Flexonics markets are expected to continue to grow.

Overall then, I see Senior as a good growth company which is currently facing some cyclical headwinds that are expected to dissipate in the medium-term.

Uncovering competitive advantages

1. Does the company have any intangible asset advantages (brand names, patents, regulatory barriers)?

NO Senior does have a good reputation and a good brand name which would definitely help it to win contracts, but I'm not sure they're enough to be considered an intangible asset advantage.

2. Does the company gain an advantage from “switching costs”, i.e. the effort required for customers to switch to a competitor?

YES In my opinion the time, money and risk costs of a customer switching from Senior to one of its competitors are large enough to be called a switching cost advantage. That's because supply chains often involve far more than simple transactional relationships between suppliers and customers. This is especially true when the supplied products are difficult to manufacture and are required regularly and in large numbers. The benefit to an OEM such as Boeing from switching to a new supplier who promises to supply key components for a slightly lower price than Senior can easily be offset by any problems that arise. It is far easier and less risky to stick with a known supplier who has a proven track record with that OEM.

3. Do the company's products or services have a “network effect”, i.e. become better as more people use them (e.g. Facebook, eBay)?

NO Senior's products do not become better as more of them are sold.

4. Does the company have any durable cost advantages (e.g. unique location, unique low cost source of raw materials, greater scale)?

NO Senior is in the process of lower its cost base but I don't think it has a durable cost advantage.

Making the trade - Are you happy to own these shares for at least 5 years?

YES I think Senior is a high quality growth company which is currently facing some relatively minor and probably short- or medium-term headwinds in its Flexonics division. The company operates primarily in markets that it expects to grow by around 4% per year, and in addition it expects to outgrow those markets in the future as it has done in the past.

I am comfortable with the idea of holding shares in Senior for at least five years (although in reality the investment could cover a much longer or shorter period) and so I will be adding Senior to both the model portfolio and my personal portfolio a few days after this issue is published.

Higher ranked stocks that were not selected	Reason for not selecting
Amec Foster Wheeler, Jardine Lloyd Thompson	Debts too high
Victrex, Stagecoach, Ashmore, Sky, IPF, XP Power, Rotork, Next, Chesnara, Prudential, Cobham, L&G, Weir, Ferrexpo, Laura Ashley, PayPoint, Verdanta, Dunelm, City of London IG, Fenner	Cyclical and the portfolio has too many cyclicals

IMPORTANT NOTICE: This analysis is for information only. It is an example of how a checklist approach to analysing a company could be implemented and it should not be construed as investment advice and should not be relied upon in isolation before investing. You should always perform your own analysis and factual verification before making investment decisions. If you need advice you should seek a regulated financial advisor. See the important notes on the last page.

Readers' Q & A

Interesting and/or helpful questions from readers

Q: How is the growth rate calculated for the UKVI stock screen?

A: There are a couple of places where you can look on the UKVI website to find out more about the calculations behind the various stock screen metrics. If you look on the free resources page you'll find both printable worksheets and a spreadsheet which contain the various formulas. They're not particularly complicated, but the growth rate calculation in particular is a bit tricky to explain in words; however I'll give it a go.

Collect the company's revenue, earnings (per share) and dividend (per share) data for the last decade, then:

1. Measure the average revenue for the oldest three years in the last ten year period (i.e. average revenues for 2007-2009 if the ten year period is 2007-2016).
2. Measure the average revenue for the latest three year period in those ten years (i.e. average revenues for 2014-2016 using the same ten year period)
3. Measure the percentage growth in revenue between those two averages (i.e. between the average of 2007-2009 and the average of 2014-2016)
4. Repeat steps 1-3 for earnings and dividends per share
5. Calculate the average overall percentage growth across revenues, earnings and dividends: (rev growth + EPS growth + DPS growth) divided by 3
6. Optional - Calculate an annualised growth rate from that average growth percentage

Defensive and Cyclical sectors

The Model Portfolio aims to be at least 50% invested in defensive FTSE Sectors as defined in the Capita Dividend Monitor. The definitions are repeated here:

Defensive Sectors

- Aerospace & Defense
- Beverages
- Electricity
- Fixed Line Telecommunications
- Food & Drug Retailers
- Food Producers
- Gas, Water & Multiutilities
- Health Care Equipment & Services
- Mobile Telecommunications
- Non-life Insurance
- Personal Goods
- Pharmaceuticals & Biotechnology
- Tobacco

Cyclical Sectors

- Automobiles & Parts
- Banks
- Chemicals
- Construction & Materials
- Electronic & Electrical Equipment
- Financial Services
- Forestry & Paper
- General Industrials
- General Retailers
- Household Goods & Home Construction
- Industrial Engineering
- Industrial Metals & Mining
- Industrial Transportation
- Leisure Goods
- Life Insurance
- Media
- Mining
- Oil & Gas Producers
- Oil Equipment, Services & Distribution
- Real Estate Investment & Services
- Software & Computer Services
- Support Services
- Technology Hardware & Equipment

Stock Screen - Sorted by Rank

Colour coding rules and column descriptions can be found in the appendices

Rank	Name	EPIC	Index	Sector	Share Price	PE Ratio	Dividend Yield	PE10	Growth Rate	Growth Quality	Net Prof.	Debt Ratio	Earnings Power
1	Petrofac Ltd	PFC	FTSE 250	Oil Equipment, Services & Distribution	£7.84	9.1	5.7%	10.4	14.5%	83%	29%	5.7	£316
2	Admiral Group PLC	ADM	FTSE 100	Nonlife Insurance	£19.47	18.2	5.9%	24.1	12.1%	92%	54%	0.1	£270
3	Restaurant Group (The) PLC	RTN	FTSE 250	Travel & Leisure	£3.60	10.7	4.8%	15.4	9.9%	100%	19%	0.6	£55
4	Amec Foster Wheeler PLC	AMFW	FTSE 250	Oil Equipment, Services & Distribution	£4.44	12.3	6.5%	8.1	11.5%	75%	12%	6.6	£201
5	Victrex PLC	VCT	FTSE 250	Chemicals	£14.56	14.8	3.2%	21.0	14.8%	92%	22%	0.0	£76
6	Aberdeen Asset Management PLC	ADN	FTSE 250	Financial Services	£2.81	11.9	6.9%	17.4	21.2%	75%	13%	0.0	£274
7	Stagecoach Group PLC	SGC	FTSE 250	Travel & Leisure	£2.58	10.2	4.1%	12.2	8.1%	92%	14%	5.4	£145
8	BHP Billiton PLC	BLT	FTSE 100	Mining	£8.40	7.2	9.8%	5.3	6.0%	63%	17%	2.0	£9,788
9	ITE Group PLC	ITE	Small Cap	Media	£1.40	12.3	5.3%	11.6	6.3%	71%	27%	2.1	£34
10	Ashmore Group PLC	ASHM	FTSE 250	Financial Services	£2.95	15.2	5.6%	13.8	6.2%	71%	35%	0.0	£171
11	Centrica PLC	CNA	FTSE 100	Gas, Water & Multiutilities	£2.05	7.0	5.9%	7.8	5.2%	75%	12%	4.5	£1,433
12	Burberry Group PLC	BRBY	FTSE 100	Personal Goods	£10.97	14.5	3.4%	19.0	15.5%	79%	26%	0.2	£329
13	Sky PLC	SKY	FTSE 100	Media	£9.72	21.3	3.4%	24.0	11.1%	92%	21%	7.7	£1,026
14	IG Group Holdings PLC	IGG	FTSE 250	Financial Services	£7.97	22.1	3.5%	26.1	13.5%	88%	26%	0.0	£137
15	International Personal Finance PLC	IPF	FTSE 250	Financial Services	£2.74	7.2	4.5%	7.7	12.4%	75%	10%	4.5	£124
16	XP Power Ltd	XPP	Small Cap	Electronic & Electrical Equipment	£16.50	16.1	4.0%	21.7	14.6%	79%	22%	0.5	£19
17	Rotork PLC	ROR	FTSE 250	Industrial Engineering	£1.96	23.1	2.6%	22.8	11.0%	92%	30%	1.3	£89
18	Mitie Group PLC	MITO	FTSE 250	Support Services	£2.83	10.4	4.3%	14.0	7.3%	88%	12%	3.5	£83
19	Next PLC	NXT	FTSE 100	General Retailers	£55.35	12.4	2.9%	19.9	11.6%	83%	43%	1.7	£555
20	Telecom plus PLC	TEP	FTSE 250	Fixed Line Telecommunications	£10.23	25.5	3.9%	36.4	17.4%	88%	36%	2.6	£26
21	Chesnara PLC	CSN	Small Cap	Life Insurance	£3.06	16.8	6.2%	13.0	5.6%	75%	13%	N/K	£30
22	Prudential PLC	PRU	FTSE 100	Life Insurance	£13.94	13.5	2.8%	21.6	12.0%	88%	19%	N/K	£2,040
23	Cobham PLC	COB	FTSE 250	Aerospace & Defense	£1.64	30.4	6.8%	11.6	5.8%	75%	12%	9.4	£159
24	Legal & General Group PLC	LGEN	FTSE 100	Life Insurance	£2.40	12.0	5.6%	20.8	19.4%	71%	17%	N/K	£966
25	Weir Group PLC	WEIR	FTSE 250	Industrial Engineering	£12.12	19.1	4.9%	12.5	14.2%	75%	11%	3.8	£267
26	Ferrexpo PLC	FXPO	Small Cap	Industrial Metals & Mining	£0.32	7.2	6.6%	1.2	3.5%	58%	15%	3.5	£174
27	Brown (N) Group PLC	BWNG	FTSE 250	General Retailers	£2.52	9.8	5.6%	10.3	6.2%	75%	11%	3.8	£76
28	Ashley (Laura) Holdings PLC	ALY	Small Cap	General Retailers	£0.24	10.4	8.3%	13.5	8.3%	46%	21%	1.3	£16
29	PayPoint PLC	PAY	FTSE 250	Support Services	£9.60	16.4	4.4%	22.3	7.6%	83%	34%	0.0	£35
30	Vedanta Resources PLC	VED	FTSE 250	Mining	£3.80	0.3	5.5%	1.1	18.0%	63%	3%	9.3	£1,217
31	Dunelm Group PLC	DNLM	FTSE 250	General Retailers	£9.48	20.0	2.3%	31.4	18.1%	100%	35%	1.1	£80
32	City of London Investment Group PLC	CLIG	Small Cap	Financial Services	£3.05	11.7	7.9%	12.3	5.0%	46%	46%	0.0	£7
33	Fenner PLC	FENR	Small Cap	Industrial Engineering	£1.44	11.3	8.3%	7.2	8.4%	67%	8%	5.0	£47
34	Jardine Lloyd Thompson Group PLC	JLT	FTSE 250	Nonlife Insurance	£9.20	17.0	3.3%	20.4	7.2%	79%	35%	N/K	£117
35	Aggreko PLC	AGK	FTSE 250	Support Services	£11.35	15.8	2.4%	15.5	12.2%	75%	16%	2.3	£232
36	Senior PLC	SNR	FTSE 250	Aerospace & Defense	£2.17	13.0	2.9%	15.9	12.0%	79%	12%	2.9	£72
37	Domino's Pizza UK & IRL PLC	DOM	FTSE 250	Travel & Leisure	£10.50	29.4	2.0%	51.9	17.5%	100%	39%	0.3	£43
38	Hansard Global PLC	HSD	Small Cap	Life Insurance	£1.13	10.0	7.7%	9.6	-6.2%	58%	32%	N/K	£13
39	Beazley PLC	BEZ	FTSE 250	Nonlife Insurance	£3.68	11.6	2.7%	15.5	5.3%	79%	17%	1.3	£131
40	Diploma PLC	DPLM	FTSE 250	Support Services	£7.45	19.1	2.4%	32.1	16.4%	92%	17%	0.6	£36
41	Morrison (Wm) Supermarkets PLC	MRW	FTSE 100	Food & Drug Retailers	£1.98	22.9	2.5%	7.9	7.2%	71%	8%	3.1	£704
42	Brammer PLC	BRAM	Small Cap	Support Services	£1.89	13.1	5.7%	11.1	7.9%	71%	8%	4.7	£24
43	Goodwin PLC	GDWN	Small Cap	Industrial Engineering	£19.52	9.1	2.2%	14.0	11.4%	71%	18%	1.4	£12
44	UK Mail Group PLC	UKM	Small Cap	Industrial Transportation	£3.20	21.8	5.1%	14.0	3.3%	58%	18%	0.3	£13
45	Atkins (W S) PLC	ATK	FTSE 250	Support Services	£13.54	13.9	2.7%	16.7	5.2%	79%	19%	1.3	£87
46	Spectris PLC	SXS	FTSE 250	Electronic & Electrical Equipment	£16.64	16.8	3.0%	19.0	10.1%	79%	12%	1.2	£126
47	British American Tobacco PLC	BATS	FTSE 100	Tobacco	£42.06	23.2	3.7%	24.7	6.2%	83%	17%	4.6	£3,675
48	Croda International PLC	CRDA	FTSE 250	Chemicals	£29.50	21.1	2.4%	29.9	15.5%	83%	17%	1.8	£174
49	Paddy Power Betfair PLC	PPB	FTSE 100	Travel & Leisure	£91.45	47.6	2.0%	68.4	17.1%	92%	39%	1.4	£105
50	Interserve PLC	IRV	FTSE 250	Support Services	£3.33	8.0	7.3%	10.0	4.6%	75%	8%	9.1	£47
51	IMI PLC	IMI	FTSE 250	Industrial Engineering	£10.03	16.7	3.8%	16.6	5.2%	75%	17%	1.8	£204
52	De La Rue PLC	DLAR	Small Cap	Support Services	£5.66	13.4	4.4%	11.1	-1.6%	46%	46%	3.2	£46
53	Hilton Food Group PLC	HFG	Small Cap	Food Producers	£6.00	22.0	2.4%	26.9	7.6%	88%	25%	2.2	£18
54	GlaxoSmithKline PLC	GSK	FTSE 100	Pharmaceuticals & Biotechnology	£14.52	19.2	5.5%	16.2	0.4%	71%	18%	4.6	£3,600
55	EuroMoney Institutional Investor PLC	ERM	FTSE 250	Media	£9.59	10.3	2.4%	19.8	8.3%	75%	17%	0.0	£76
56	Britvic PLC	BVIC	FTSE 250	Beverages	£6.82	15.0	3.4%	20.9	8.4%	79%	12%	6.3	£91
57	Diageo PLC	DGE	FTSE 100	Beverages	£18.83	19.4	3.0%	23.6	7.3%	88%	13%	4.3	£2,380
58	Barr (A G) PLC	BAG	FTSE 250	Beverages	£5.47	18.1	2.4%	27.2	8.7%	92%	16%	0.6	£30
59	Renishaw PLC	RSW	FTSE 250	Electronic & Electrical Equipment	£19.70	11.8	2.4%	28.0	18.2%	79%	17%	0.0	£75
60	Rio Tinto PLC	RIO	FTSE 100	Mining	£19.64	26.6	7.3%	6.0	4.7%	54%	11%	2.6	£5,960
61	Ted Baker PLC	TED	FTSE 250	Personal Goods	£24.71	24.7	1.9%	43.8	16.4%	92%	23%	3.1	£32
62	Novae Group PLC	NVA	Small Cap	Nonlife Insurance	£8.44	10.7	3.2%	18.0	10.4%	75%	12%	N/K	£33
63	SSE PLC	SSE	FTSE 100	Electricity	£15.44	14.0	5.8%	15.9	4.1%	83%	8%	7.3	£987
64	Mears Group PLC	MER	Small Cap	Support Services	£3.87	19.3	2.8%	19.1	10.6%	92%	9%	3.1	£22
65	Ladbrokes PLC	LAD	FTSE 250	Travel & Leisure	£1.36	13.1	2.2%	6.0	-6.2%	46%	21%	2.8	£132
66	Rightmove PLC	RMV	FTSE 250	Media	£42.25	37.4	1.0%	68.3	18.7%	88%	786%	0.0	£78
67	Hunting PLC	HTG	Small Cap	Oil Equipment, Services & Distribution	£3.08	30.1	2.1%	9.9	9.2%	67%	5%	2.0	£57
68	William Hill PLC	WMH	FTSE 250	Travel & Leisure	£3.13	15.7	4.0%	13.5	3.9%	79%	10%	3.5	£193
69	AstraZeneca PLC	AZN	FTSE 100	Pharmaceuticals & Biotechnology	£40.22	25.2	4.7%	14.1	-1.5%	71%	20%	3.2	£3,129
70	Halfords Group PLC	HFD	FTSE 250	General Retailers	£4.49	13.6	3.7%	13.6	1.5%	71%	15%	1.3	£67
71	Antofagasta PLC	ANTO	FTSE 100	Mining	£4.37	91.6	0.5%	7.5	8.6%	54%	10%	3.3	£560
72	Micro Focus International PLC	MCRO	FTSE 250	Software & Computer Services	£16.00	22.1	1.9%	42.9	20.9%	79%	44%	12.8	£83
73	St James's Place PLC	STJ	FTSE 100	Life Insurance	£9.32	24.8	3.0%	42.8	20.3%	88%	15%	N/K	£153
74	Vodafone Group PLC	VOD	FTSE 100	Mobile Telecommunications	£2.33	11.6	4.9%	12.2	2.6%	83%	7%	5.1	£8,809
75	Intertek Group PLC	ITRK	FTSE 100	Support Services	£31.50	21.1	1.7%	31.7	14.0%	92%	14%	4.4	£204
76	Standard Chartered PLC	STAN	FTSE 100	Banks	£5.43	-16.0	1.7%	6.1	-0.3%	54%	11%	N/A	£2,105
77	JD Sports Fashion PLC	JD.	FTSE 250	General Retailers	£12.96	20.3	0.6%	40.5	14.6%	88%	26%	0.1	£77
78	Booker Group PLC	BOK	FTSE 250	Food & Drug Retailers	£1.82	24.2	2.5%	41.9	17.6%	92%	14%	0.0	£101
79	Compass Group PLC	CPG	FTSE 100	Travel & Leisure	£12.88	23.6	2.3%	35.1	11.9%	96%	13%	3.6	£822
80	Hiscox Ltd	HSX	FTSE 250	Nonlife Insurance	£9.76	13.9	2.5%	17.9	6.4%	75%	14%	N/K	£173

Stock Screen - Sorted by Rank

Colour coding rules and column descriptions can be found in the appendices

Rank	Name	EPIC	Index	Sector	Share Price	PE Ratio	Dividend Yield	PE10	Growth Rate	Growth Quality	Net Prof.	Debt Ratio	Earnings Power
81	Computacenter PLC	CCC	FTSE 250	Software & Computer Services	£8.47	17.6	2.5%	23.0	8.0%	83%	13%	0.1	£59
82	Premier Farnell PLC	PFL	Small Cap	Support Services	£1.20	13.3	5.2%	8.8	0.1%	33%	13%	5.6	£48
83	Homeserve PLC	HSV	FTSE 250	Support Services	£4.88	25.3	2.6%	22.6	5.0%	79%	17%	3.2	£69
84	NCC Group PLC	NCC	FTSE 250	Software & Computer Services	£2.90	36.3	1.4%	51.9	19.5%	96%	14%	4.4	£15
85	Imperial Brands PLC	IMB	FTSE 100	Tobacco	£37.86	17.2	3.7%	23.9	14.5%	71%	10%	7.4	£1,922
86	RM PLC	RM.	Small Cap	Software & Computer Services	£1.38	8.3	3.6%	8.4	-4.4%	58%	19%	0.0	£13
87	Capita PLC	CPI	FTSE 100	Support Services	£10.75	36.3	2.9%	29.7	8.8%	88%	12%	9.8	£257
88	RPS Group PLC	RPS	Small Cap	Support Services	£1.83	13.4	5.3%	12.5	6.0%	75%	7%	3.3	£30
89	Devro PLC	DVO	Small Cap	Food Producers	£2.51	16.5	3.5%	17.2	8.4%	67%	11%	4.6	£29
90	Aveva Group PLC	AVV	FTSE 250	Software & Computer Services	£16.02	28.9	2.2%	25.2	9.0%	75%	19%	0.0	£44
91	Menzies (John) PLC	MNZS	Small Cap	Support Services	£5.03	20.2	3.3%	11.9	3.6%	63%	11%	5.4	£29
92	Carillion PLC	CLLN	FTSE 250	Support Services	£2.78	10.6	6.6%	9.2	1.8%	71%	7%	4.5	£142
93	Spirax-Sarco Engineering PLC	SPX	FTSE 250	Industrial Engineering	£34.45	25.6	2.0%	29.8	8.5%	83%	17%	1.0	£99
94	BP PLC	BP.	FTSE 100	Oil & Gas Producers	£3.62	16.3	7.4%	6.3	-2.8%	58%	10%	4.6	£7,747
95	Vitec Group (The) PLC	VTC	Small Cap	Industrial Engineering	£5.02	8.9	4.9%	9.8	3.3%	54%	11%	3.5	£26
96	Playtech PLC	PTEC	FTSE 250	Travel & Leisure	£8.51	24.6	2.4%	33.4	16.6%	71%	15%	3.7	£91
97	HSBC Holdings PLC	HSBA	FTSE 100	Banks	£4.48	10.4	7.7%	9.4	0.8%	67%	8%	N/A	£9,645
98	WH Smith PLC	SMWH	FTSE 250	General Retailers	£17.55	20.1	2.2%	31.6	9.0%	75%	39%	0.2	£87
99	KCOM Group PLC	KCOM	Small Cap	Fixed Line Telecommunications	£1.08	11.6	5.0%	16.7	6.1%	50%	19%	2.8	£39
100	Elementis PLC	ELM	FTSE 250	Chemicals	£2.10	16.2	2.8%	17.9	11.8%	67%	11%	0.0	£72
101	Reckitt Benckiser Group PLC	RB.	FTSE 100	Household Goods & Home Construction	£68.73	27.3	2.0%	32.9	7.3%	83%	21%	1.4	£1,728
102	Wood Group (John) PLC	WG.	FTSE 250	Oil Equipment, Services & Distribution	£6.16	24.4	3.4%	8.7	9.1%	63%	9%	2.1	£165
103	Tullitt Prebon PLC	TLPR	FTSE 250	Financial Services	£3.33	11.0	5.1%	7.9	-1.2%	42%	13%	3.6	£82
104	Bodycote PLC	BOY	FTSE 250	Industrial Engineering	£6.11	13.9	2.5%	19.5	8.1%	75%	12%	0.1	£75
105	Whitbread PLC	WTB	FTSE 100	Travel & Leisure	£42.49	19.6	2.1%	29.2	13.0%	100%	10%	3.0	£325
106	Inmarsat PLC	ISAT	FTSE 100	Mobile Telecommunications	£7.49	20.0	4.6%	20.2	7.4%	71%	10%	7.4	£197
107	Smiths Group PLC	SMIN	FTSE 250	General Industrials	£11.23	13.2	3.7%	14.4	4.0%	67%	11%	3.8	£348
108	Babcock International Group PLC	BAB	FTSE 100	Support Services	£10.32	18.5	2.5%	25.3	10.8%	88%	8%	6.8	£225
109	Fisher (James) & Sons PLC	FSJ	Small Cap	Industrial Transportation	£14.38	16.4	1.7%	26.6	12.2%	96%	9%	3.4	£35
110	S & U PLC	SUS	Small Cap	Financial Services	£22.73	17.1	3.3%	28.0	8.8%	83%	10%	2.5	£12
111	Greggs PLC	GRG	FTSE 250	Food & Drug Retailers	£11.39	19.4	2.5%	29.2	6.1%	83%	18%	0.0	£44
112	Ultra Electronics Holdings PLC	ULE	FTSE 250	Aerospace & Defense	£17.48	37.3	2.6%	21.3	7.8%	67%	15%	5.2	£66
113	Smith & Nephew PLC	SN.	FTSE 100	Health Care Equipment & Services	£11.79	21.8	1.8%	28.0	8.9%	83%	14%	2.4	£416
114	Brewin Dolphin Holdings PLC	BRW	FTSE 250	Financial Services	£2.53	14.0	4.7%	21.3	5.4%	63%	14%	0.0	£35
115	Essentra PLC	ESNT	FTSE 250	Support Services	£8.34	20.1	2.5%	32.5	14.4%	83%	11%	5.2	£78
116	Kier Group PLC	KIE	FTSE 250	Construction & Materials	£12.50	15.9	4.8%	16.6	2.8%	58%	13%	9.7	£45
117	Carr's Group PLC	CARR	Small Cap	Food Producers	£1.43	11.1	2.6%	16.0	7.8%	75%	9%	4.1	£10
118	Rolls-Royce Group PLC	RR.	FTSE 100	Aerospace & Defense	£6.15	110.6	2.7%	14.3	5.1%	75%	8%	5.7	£925
119	SThree PLC	STHR	Small Cap	Support Services	£3.22	15.4	4.3%	19.6	1.3%	54%	26%	1.2	£20
120	WPP Group PLC	WPP	FTSE 100	Media	£15.83	16.9	2.8%	23.5	12.2%	88%	7%	4.9	£1,138
121	Royal Dutch Shell PLC	RDSB	FTSE 100	Oil & Gas Producers	£16.81	22.9	7.4%	8.2	0.3%	54%	9%	3.2	£12,434
122	Morgan Advanced Materials PLC	MGAM	FTSE 250	Electronic & Electrical Equipment	£2.49	11.9	4.4%	11.6	3.9%	63%	9%	4.0	£66
123	Connect Group PLC	CNCT	Small Cap	Support Services	£1.60	9.2	5.8%	9.9	4.3%	71%	-46%	4.5	£36
124	BAE Systems PLC	BA.	FTSE 100	Aerospace & Defense	£4.83	15.7	4.3%	13.8	0.7%	75%	9%	3.9	£1,067
125	Rathbone Brothers PLC	RAT	FTSE 250	Financial Services	£19.75	20.3	2.8%	26.9	5.3%	75%	16%	39.1	£39
126	Hikma Pharmaceuticals PLC	HIK	FTSE 250	Pharmaceuticals & Biotechnology	£22.25	24.3	1.0%	47.1	21.6%	83%	12%	3.8	£130
127	Halma PLC	HLMA	FTSE 250	Electronic & Electrical Equipment	£9.34	34.6	1.3%	48.4	9.5%	96%	14%	1.6	£90
128	Johnson Matthey PLC	JMAT	FTSE 100	Chemicals	£28.83	16.6	2.3%	23.6	8.8%	75%	11%	3.5	£307
129	Bloomsbury Publishing PLC	BMF	Small Cap	Media	£1.63	11.5	3.9%	14.4	3.1%	79%	7%	0.2	£9
130	Provident Financial PLC	PFG	FTSE 100	Financial Services	£29.14	18.8	4.1%	29.2	9.5%	75%	9%	8.9	£180
131	Paragon Group of Companies (The) PLC	PAG	FTSE 250	Financial Services	£3.12	8.5	3.5%	6.5	-2.6%	71%	12%	100.6	£100
132	Marks & Spencer Group PLC	MKS	FTSE 100	General Retailers	£3.87	11.4	4.8%	11.1	0.1%	63%	9%	3.9	£538
133	ARM Holdings PLC	ARM	FTSE 100	Technology Hardware & Equipment	£9.82	41.0	0.9%	98.9	24.3%	96%	10%	0.1	£206
134	Standard Life PLC	SL.	FTSE 100	Life Insurance	£3.43	19.0	5.4%	18.0	4.0%	67%	10%	N/K	£453
135	Fidessa Group PLC	FDSA	FTSE 250	Software & Computer Services	£23.62	30.9	1.6%	35.6	7.8%	83%	17%	0.0	£29
136	Moneysupermarket.com Group PLC	MONY	FTSE 250	Media	£3.30	28.4	2.8%	70.0	19.9%	83%	10%	0.8	£39
137	Bunzl PLC	BNZL	FTSE 100	Support Services	£20.24	26.5	1.9%	35.2	8.6%	100%	11%	5.5	£222
138	Braemar Shipping Services PLC	BMS	Small Cap	Industrial Transportation	£4.47	18.3	5.8%	11.7	-1.7%	54%	11%	0.3	£7
139	Meggitt PLC	MGGT	FTSE 250	Aerospace & Defense	£3.88	15.2	3.7%	16.3	7.2%	75%	5%	5.5	£218
140	Clarkson PLC	CKN	FTSE 250	Industrial Transportation	£23.20	20.2	2.7%	20.0	2.1%	79%	13%	2.0	£23
141	Cranswick PLC	CWK	FTSE 250	Food Producers	£23.07	22.9	1.6%	31.3	8.0%	92%	12%	0.1	£41
142	Intermediate Capital Group PLC	ICP	FTSE 250	Financial Services	£6.70	11.3	3.8%	13.1	-1.6%	63%	12%	12.7	£164
143	Drax Group PLC	DRX	FTSE 250	Electricity	£3.12	7.2	1.8%	5.3	-5.0%	54%	8%	1.7	£194
144	Michael Page International PLC	MPI	FTSE 250	Support Services	£4.02	18.9	2.9%	22.4	2.1%	67%	27%	0.0	£54
145	Headlam Group PLC	HEAD	Small Cap	Household Goods & Home Construction	£4.95	14.8	4.2%	18.0	0.5%	75%	11%	0.9	£23
146	Tate & Lyle PLC	TATE	FTSE 250	Food Producers	£6.26	16.8	4.5%	13.7	0.0%	63%	11%	3.3	£229
147	Sainsbury (J) PLC	SBRY	FTSE 100	Food & Drug Retailers	£2.69	12.5	4.5%	10.9	1.8%	67%	5%	4.7	£517
148	Chemring Group PLC	CHG	Small Cap	Aerospace & Defense	£1.37	153.9	1.5%	6.4	-8.4%	54%	9%	4.6	£35
149	Communis PLC	CMS	Small Cap	Support Services	£0.39	7.2	5.6%	7.2	-0.8%	67%	4%	7.2	£9
150	InterContinental Hotels Group PLC	IHG	FTSE 100	Travel & Leisure	£26.71	21.6	2.6%	25.9	4.8%	75%	19%	4.6	£242
151	Robert Walters PLC	RWA	Small Cap	Support Services	£3.30	16.9	2.1%	26.5	6.5%	75%	14%	2.6	£10
152	4imprint Group PLC	FOUR	Small Cap	Media	£13.61	23.2	2.0%	49.0	10.3%	83%	13%	0.0	£9
153	Electrocomponents PLC	ECM	FTSE 250	Support Services	£2.89	15.9	4.1%	18.0	2.3%	54%	12%	2.8	£76
154	Hill & Smith Holdings PLC	HILS	Small Cap	Industrial Engineering	£9.48	17.7	2.2%	25.3	6.6%	88%	10%	3.3	£32
155	Cineworld Group PLC	CINE	FTSE 250	Travel & Leisure	£5.63	16.6	3.1%	28.1	8.6%	83%	8%	6.4	£48
156	RPC Group PLC	RPC	FTSE 250	General Industrials	£7.95	18.4	1.9%	30.3	13.6%	83%	9%	7.0	£73
157	Keller Group PLC	KLR	FTSE 250	Construction & Materials	£9.49	7.8	2.9%	12.6	3.1%	71%	9%	5.0	£49
158	Galliford Try PLC	GFRD	FTSE 250	Household Goods & Home Construction	£14.04	11.9	4.8%	20.5	8.5%	71%	8%	3.0	£61
159	Man Group PLC	EMG	FTSE 250	Financial Services	£1.37	16.2	5.0%	7.8	-16.7%	46%	8%	0.6	£171
160	Sage Group (The) PLC	SGE	FTSE 100	Software & Computer Services	£6.05	25.3	2.2%	32.8	5.5%	83%	13%	2.5	£246

Stock Screen - Sorted by Rank

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Rank	Name	EPIC	Index	Sector	Share Price	PE Ratio	Dividend Yield	PE10	Growth Rate	Growth Quality	Net Prof.	Debt Ratio	Earnings Power
161	Hays PLC	HAS	FTSE 250	Support Services	£1.37	18.6	2.0%	19.4	-3.9%	58%	22%	1.2	£84
162	Old Mutual PLC	OML	FTSE 100	Life Insurance	£1.78	12.7	5.0%	15.4	5.0%	54%	8%	N/K	£654
163	Costain Group PLC	COST	Small Cap	Construction & Materials	£3.61	17.0	3.0%	18.1	2.3%	63%	13%	2.4	£16
164	PZ Cussons PLC	PZC	FTSE 250	Personal Goods	£3.49	20.2	2.3%	24.3	6.6%	75%	10%	3.0	£71
165	Kingfisher PLC	KGF	FTSE 100	General Retailers	£3.75	14.0	1.8%	17.0	6.9%	67%	8%	0.5	£640
166	St Ives PLC	SIV	Small Cap	Support Services	£0.98	13.1	5.7%	7.7	-6.2%	50%	7%	5.8	£14
167	Tribal Group PLC	TRB	Small Cap	Software & Computer Services	£0.54	12.2	0.9%	7.4	-8.9%	50%	12%	3.8	£10
168	Low & Bonar PLC	LWB	Small Cap	Construction & Materials	£0.57	12.4	4.9%	12.3	3.7%	58%	4%	7.7	£18
169	Ricardo PLC	RCDO	Small Cap	Support Services	£8.40	19.6	2.0%	26.7	5.4%	75%	14%	2.5	£18
170	Schroders PLC	SDR	FTSE 100	Financial Services	£27.36	16.2	3.2%	25.7	15.1%	75%	3%	N/K	£376
171	Unilever PLC	ULVR	FTSE 100	Personal Goods	£31.52	24.3	2.8%	26.1	3.1%	67%	15%	3.0	£3,501
172	Go-Ahead Group (The) PLC	GOG	FTSE 250	Travel & Leisure	£25.84	14.8	3.5%	17.1	1.0%	58%	12%	5.6	£60
173	National Grid PLC	NG.	FTSE 100	Gas, Water & Multiutilities	£10.09	14.6	4.3%	17.8	3.0%	75%	5%	13.1	£2,165
174	Morgan Sindall PLC	MGNS	Small Cap	Construction & Materials	£7.92	-34.0	3.7%	13.3	-12.7%	38%	12%	4.0	£15
175	Aviva PLC	AV.	FTSE 100	Life Insurance	£4.56	16.0	4.6%	12.4	-4.4%	46%	9%	N/K	£1,166
176	Oxford Instruments PLC	OXIG	Small Cap	Electronic & Electrical Equipment	£6.40	61.7	2.0%	25.4	22.7%	67%	7%	6.9	£21
177	Xaar PLC	XAR	Small Cap	Electronic & Electrical Equipment	£4.77	19.2	2.0%	29.0	23.4%	54%	14%	0.0	£19
178	Huntsworth PLC	HNT	Small Cap	Media	£0.46	12.1	3.8%	7.1	-2.8%	42%	7%	2.6	£15
179	ICAP PLC	IAP	FTSE 250	Financial Services	£4.29	48.1	5.1%	15.7	-2.6%	42%	11%	3.4	£172
180	Fuller Smith & Turner PLC	FSTA	Small Cap	Travel & Leisure	£10.38	20.7	1.6%	28.3	8.7%	96%	6%	6.7	£25
181	FTSE 100				6,271	35.2	4.0%	14.8	1.6%	50%	10%		
182	Hogg Robinson Group PLC	HRG	Small Cap	Support Services	£0.70	10.3	3.6%	11.1	2.1%	58%	8%	3.4	£23
183	Marston's PLC	MARS	FTSE 250	Travel & Leisure	£1.57	12.5	4.5%	10.6	-1.2%	63%	3%	17.2	£84
184	BBA Aviation PLC	BBA	FTSE 250	Industrial Transportation	£2.02	23.1	4.5%	16.6	4.2%	63%	7%	4.0	£88
185	Pennon Group PLC	PNN	FTSE 250	Gas, Water & Multiutilities	£8.69	22.1	3.9%	23.4	4.7%	79%	4%	21.5	£147
186	Lavendon Group PLC	LVD	Small Cap	Support Services	£1.27	7.8	4.3%	6.9	-4.5%	67%	6%	5.8	£23
187	BT Group PLC	BT.A	FTSE 100	Fixed Line Telecommunications	£4.52	14.6	3.1%	21.8	4.7%	67%	10%	6.8	£2,084
188	Associated British Foods PLC	ABF	FTSE 100	Food Producers	£29.50	29.0	1.2%	39.8	9.6%	92%	7%	1.3	£703
189	Centaur Media PLC	CAU	Small Cap	Media	£0.51	12.3	5.9%	12.5	-3.9%	58%	5%	4.6	£5
190	Ashtead Group PLC	AHT	FTSE 100	Support Services	£9.86	18.1	1.5%	49.0	19.6%	88%	5%	12.1	£140
191	Greene King PLC	GNK	FTSE 250	Travel & Leisure	£8.93	14.7	3.3%	16.1	3.8%	71%	4%	12.8	£124
192	Millennium & Copthorne Hotels PLC	MLC	FTSE 250	Travel & Leisure	£4.43	10.3	1.4%	10.8	6.5%	50%	4%	5.3	£158
193	Dignity PLC	DTY	FTSE 250	General Retailers	£25.50	22.3	0.6%	38.0	10.8%	83%	8%	12.8	£47
194	Boot (Henry) PLC	BHY	Small Cap	Construction & Materials	£2.08	12.0	2.9%	25.1	9.0%	67%	4%	3.5	£14
195	Porvair PLC	PRV	Small Cap	Industrial Engineering	£3.24	21.1	1.1%	35.9	11.6%	88%	6%	0.5	£5
196	Mondi PLC	MNDI	FTSE 100	Forestry & Paper	£13.59	12.6	3.0%	25.8	13.7%	67%	5%	2.6	£440
197	UBM PLC	UBM	FTSE 250	Media	£5.86	27.4	3.7%	18.4	-1.7%	54%	11%	5.7	£101
198	Randgold Resources Ltd	RRS	FTSE 100	Mining	£57.35	42.3	0.8%	42.4	24.7%	75%	7%	0.0	£192
199	RSA Insurance Group PLC	RSA	FTSE 100	Nonlife Insurance	£4.82	18.8	2.2%	16.7	-19.4%	38%	10%	N/K	£213
200	Investec PLC	INVP	FTSE 250	Financial Services	£4.87	13.0	4.3%	12.7	-0.7%	63%	1%	117.1	£334
201	Henderson Group PLC	HGG	FTSE 250	Financial Services	£2.67	19.8	3.9%	33.2	5.1%	67%	10%	1.7	£88
202	Experian PLC	EXPN	FTSE 100	Support Services	£12.91	25.3	2.1%	33.1	7.9%	67%	12%	5.3	£425
203	Home Retail Group PLC	HOME	FTSE 250	General Retailers	£1.67	49.6	2.3%	9.2	-13.5%	29%	4%	0.0	£96
204	British Polythene Industries PLC	BPI	Small Cap	General Industrials	£7.29	10.7	2.5%	16.2	3.4%	63%	8%	2.3	£14
205	Genus PLC	GNS	FTSE 250	Pharmaceuticals & Biotechnology	£15.46	20.5	1.3%	36.8	8.7%	92%	5%	2.8	£34
206	RELX PLC	REL	FTSE 100	Media	£12.50	25.8	2.4%	31.8	4.2%	63%	14%	3.9	£999
207	DS Smith PLC	SMDS	FTSE 250	General Industrials	£3.86	19.0	3.0%	32.3	10.9%	71%	6%	6.3	£126
208	G4S PLC	GFS	FTSE 250	Support Services	£1.90	14.7	5.0%	17.4	-1.5%	63%	5%	17.2	£132
209	Wireless Group PLC	WLG	Small Cap	Media	£1.71	20.2	4.4%	10.7	-2.4%	42%	7%	4.2	£13
210	Charles Taylor PLC	CTR	Small Cap	Support Services	£2.60	17.6	3.8%	15.9	-1.6%	58%	6%	2.9	£8
211	SABMiller PLC	SAB	FTSE 100	Beverages	£42.83	27.1	2.0%	36.3	8.0%	79%	8%	3.6	£2,248
212	Vp PLC	VP.	Small Cap	Support Services	£7.20	18.3	2.3%	30.2	5.2%	79%	7%	6.5	£11
213	Informa PLC	INF	FTSE 100	Media	£6.68	22.9	3.0%	26.5	4.9%	71%	6%	5.1	£181
214	Speedy Hire PLC	SDY	Small Cap	Support Services	£0.39	205.3	1.8%	7.1	-12.5%	54%	1%	6.2	£17
215	Regus PLC	RGU	FTSE 250	Support Services	£3.17	23.9	1.4%	40.7	8.0%	79%	9%	3.4	£75
216	DCC PLC	DCC	FTSE 100	Support Services	£62.60	27.4	1.6%	41.3	9.3%	75%	8%	9.8	£149
217	Berendsen PLC	BRSN	FTSE 250	Support Services	£12.01	22.5	2.6%	30.6	5.8%	75%	6%	6.4	£78
218	Dairy Crest Group PLC	DCG	FTSE 250	Food Producers	£5.54	12.5	4.0%	14.8	-2.6%	50%	7%	18.9	£18
219	United Utilities Group PLC	UU.	FTSE 100	Gas, Water & Multiutilities	£9.71	14.3	4.0%	19.1	0.3%	67%	3%	18.1	£386
220	Bellway PLC	BWY	FTSE 250	Household Goods & Home Construction	£27.60	12.3	2.8%	33.1	13.4%	71%	7%	0.6	£141
221	Darty PLC	DRTY	FTSE 250	General Retailers	£1.68	39.5	1.5%	18.0	-15.1%	38%	10%	5.6	£40
222	Carclo PLC	CAR	Small Cap	Chemicals	£1.55	10.1	1.8%	17.7	2.8%	75%	7%	6.2	£6
223	Shanks Group PLC	SKS	Small Cap	Support Services	£0.81	22.6	4.3%	13.6	-2.2%	50%	3%	14.2	£22
224	Anglo-Eastern Plantations PLC	AEP	Small Cap	Food Producers	£4.61	-20.4	0.4%	7.1	-0.6%	42%	11%	0.9	£27
225	Barclays PLC	BARC	FTSE 100	Banks	£1.86	-191.8	3.5%	12.0	-15.6%	38%	2%	N/A	£1,319
226	Close Brothers Group PLC	CBG	FTSE 250	Financial Services	£13.59	11.7	3.9%	18.4	3.2%	58%	2%	57.4	£120
227	Zotefoams PLC	ZTF	Small Cap	Chemicals	£3.00	27.5	1.9%	31.6	4.9%	71%	9%	1.8	£4
228	Severn Trent PLC	SVT	FTSE 100	Gas, Water & Multiutilities	£22.91	21.4	3.5%	24.9	2.3%	67%	3%	21.2	£232
229	Laird PLC	LRD	FTSE 250	Technology Hardware & Equipment	£3.53	28.6	3.7%	26.7	2.6%	71%	4%	7.2	£37
230	Rezam PLC	REX	FTSE 100	General Industrials	£6.27	16.8	2.8%	19.9	2.2%	58%	6%	5.4	£277
231	Dechra Pharmaceuticals PLC	DPH	FTSE 250	Pharmaceuticals & Biotechnology	£11.69	50.7	1.4%	64.6	3.6%	83%	8%	2.1	£16
232	Acal PLC	ACL	Small Cap	Support Services	£2.57	19.5	3.0%	27.1	3.1%	50%	5%	7.0	£7
233	QinetiQ Group PLC	QQ.	FTSE 250	Aerospace & Defense	£2.44	11.7	2.3%	18.2	0.4%	58%	8%	0.0	£97
234	Greencore Group PLC	GNC	FTSE 250	Food Producers	£3.53	23.9	1.7%	31.4	5.4%	58%	7%	4.8	£58
235	London Stock Exchange Group PLC	LSE	FTSE 100	Financial Services	£27.24	35.4	1.3%	41.7	7.2%	63%	8%	6.6	£225
236	Consort Medical PLC	CSRT	Small Cap	Health Care Equipment & Services	£9.70	24.5	1.9%	25.6	-0.7%	42%	9%	11.4	£13
237	CRH PLC	CRH	FTSE 100	Construction & Materials	£20.82	28.1	2.2%	24.2	-4.3%	54%	3%	14.4	£472
238	UDG Healthcare PLC	UDG	FTSE 250	Health Care Equipment & Services	£6.01	32.7	1.4%	35.6	0.3%	71%	7%	7.7	£42
239	Marshalls PLC	MSLH	FTSE 250	Construction & Materials	£3.30	23.5	2.1%	36.1	-2.0%	46%	5%	2.1	£17
240	Melrose Industries PLC	MRO	FTSE 250	Industrial Engineering	£3.80	-575.8	1.4%	60.7	-1.3%	63%	4%	8.4	£68

Stock Screen - Sorted by Name

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Rank	Name	EPIC	Index	Sector	Share Price	PE Ratio	Dividend Yield	PE10	Growth Rate	Growth Quality	Net Prof.	Debt Ratio	Earnings Power
152	4imprint Group PLC	FOUR	Small Cap	Media	£13.61	23.2	2.0%	49.0	10.3%	83%	13%	0.0	£9
6	Aberdeen Asset Management PLC	ADN	FTSE 250	Financial Services	£2.81	11.9	6.9%	17.4	21.2%	75%	13%	0.0	£274
232	Acal PLC	ACL	Small Cap	Support Services	£2.57	19.5	3.0%	27.1	3.1%	50%	5%	7.0	£7
2	Admiral Group PLC	ADM	FTSE 100	Nonlife Insurance	£19.47	18.2	5.9%	24.1	12.1%	92%	54%	0.1	£270
35	Aggreko PLC	AGK	FTSE 250	Support Services	£11.35	15.8	2.4%	15.5	12.2%	75%	16%	2.3	£232
4	Amec Foster Wheeler PLC	AMFW	FTSE 250	Oil Equipment, Services & Distribution	£4.44	12.3	6.5%	8.1	11.5%	75%	12%	6.6	£201
224	Anglo-Eastern Plantations PLC	AEP	Small Cap	Food Producers	£4.61	-20.4	0.4%	7.1	-0.6%	42%	11%	0.9	£27
71	Antofagasta PLC	ANTO	FTSE 100	Mining	£4.37	91.6	0.5%	7.5	8.6%	54%	10%	3.3	£560
133	ARM Holdings PLC	ARM	FTSE 100	Technology Hardware & Equipment	£9.82	41.0	0.9%	98.9	24.3%	96%	10%	0.1	£206
28	Ashley (Laura) Holdings PLC	ALY	Small Cap	General Retailers	£0.24	10.4	8.3%	13.5	8.3%	46%	21%	1.3	£16
10	Ashmore Group PLC	ASHM	FTSE 250	Financial Services	£2.95	15.2	5.6%	13.8	6.2%	71%	35%	0.0	£171
190	Ashtead Group PLC	AHT	FTSE 100	Support Services	£9.86	18.1	1.5%	49.0	19.6%	88%	5%	12.1	£140
188	Associated British Foods PLC	ABF	FTSE 100	Food Producers	£29.50	29.0	1.2%	39.8	9.6%	92%	7%	1.3	£703
69	AstraZeneca PLC	AZN	FTSE 100	Pharmaceuticals & Biotechnology	£40.22	25.2	4.7%	14.1	-1.5%	71%	20%	3.2	£3,129
45	Atkins (W S) PLC	ATK	FTSE 250	Support Services	£13.54	13.9	2.7%	16.7	5.2%	79%	19%	1.3	£87
90	Aveva Group PLC	AVV	FTSE 250	Software & Computer Services	£16.02	28.9	2.2%	25.2	9.0%	75%	19%	0.0	£44
175	Aviva PLC	AV.	FTSE 100	Life Insurance	£4.56	16.0	4.6%	12.4	-4.4%	46%	9%	N/K	£1,166
108	Babcock International Group PLC	BAB	FTSE 100	Support Services	£10.32	18.5	2.5%	25.3	10.8%	88%	8%	6.8	£225
124	BAE Systems PLC	BA.	FTSE 100	Aerospace & Defense	£4.83	15.7	4.3%	13.8	0.7%	75%	9%	3.9	£1,067
225	Barclays PLC	BARC	FTSE 100	Banks	£1.86	-191.8	3.5%	12.0	-15.6%	38%	2%	N/A	£1,319
58	Barr (A G) PLC	BAG	FTSE 250	Beverages	£5.47	18.1	2.4%	27.2	8.7%	92%	16%	0.6	£30
184	BBA Aviation PLC	BBA	FTSE 250	Industrial Transportation	£2.02	23.1	4.5%	16.6	4.2%	63%	7%	4.0	£88
39	Beazley PLC	BEZ	FTSE 250	Nonlife Insurance	£3.68	11.6	2.7%	15.5	5.3%	79%	17%	1.3	£131
220	Bellway PLC	BWY	FTSE 250	Household Goods & Home Construction	£27.60	12.3	2.8%	33.1	13.4%	71%	7%	0.6	£141
217	Berendsen PLC	BRSN	FTSE 250	Support Services	£12.01	22.5	2.6%	30.6	5.8%	75%	6%	6.4	£78
8	BHP Billiton PLC	BLT	FTSE 100	Mining	£8.40	7.2	9.8%	5.3	6.0%	63%	17%	2.0	£9,788
129	Bloomsbury Publishing PLC	BMV	Small Cap	Media	£1.63	11.5	3.9%	14.4	3.1%	79%	7%	0.2	£9
104	Bodycote PLC	BOY	FTSE 250	Industrial Engineering	£6.11	13.9	2.5%	19.5	8.1%	75%	12%	0.1	£75
78	Booker Group PLC	BOK	FTSE 250	Food & Drug Retailers	£1.82	24.2	2.5%	41.9	17.6%	92%	14%	0.0	£101
194	Boot (Henry) PLC	BHY	Small Cap	Construction & Materials	£2.08	12.0	2.9%	25.1	9.0%	67%	4%	3.5	£14
94	BP PLC	BP.	FTSE 100	Oil & Gas Producers	£3.62	16.3	7.4%	6.3	-2.8%	58%	10%	4.6	£7,747
138	Braemar Shipping Services PLC	BMS	Small Cap	Industrial Transportation	£4.47	18.3	5.8%	11.7	-1.7%	54%	11%	0.3	£7
42	Brammer PLC	BRAM	Small Cap	Support Services	£1.89	13.1	5.7%	11.1	7.9%	71%	8%	4.7	£24
114	Brewin Dolphin Holdings PLC	BRW	FTSE 250	Financial Services	£2.53	14.0	4.7%	21.3	5.4%	63%	14%	0.0	£35
47	British American Tobacco PLC	BATS	FTSE 100	Tobacco	£42.06	23.2	3.7%	24.7	6.2%	83%	17%	4.6	£3,675
204	British Polythene Industries PLC	BPI	Small Cap	General Industrials	£7.29	10.7	2.5%	16.2	3.4%	63%	8%	2.3	£14
56	Britvic PLC	BVIC	FTSE 250	Beverages	£6.82	15.0	3.4%	20.9	8.4%	79%	12%	6.3	£91
27	Brown (N) Group PLC	BWNG	FTSE 250	General Retailers	£2.52	9.8	5.6%	10.3	6.2%	75%	11%	3.8	£76
187	BT Group PLC	BT.A	FTSE 100	Fixed Line Telecommunications	£4.52	14.6	3.1%	21.8	4.7%	67%	10%	6.8	£2,084
137	Bunzl PLC	BNZL	FTSE 100	Support Services	£20.24	26.5	1.9%	35.2	8.6%	100%	11%	5.5	£222
12	Burberry Group PLC	BRBY	FTSE 100	Personal Goods	£10.97	14.5	3.4%	19.0	15.5%	79%	26%	0.2	£329
87	Capita PLC	CPI	FTSE 100	Support Services	£10.75	36.3	2.9%	29.7	8.8%	88%	12%	9.8	£257
222	Carclo PLC	CAR	Small Cap	Chemicals	£1.55	10.1	1.8%	17.7	2.8%	75%	7%	6.2	£6
92	Carillion PLC	CLLN	FTSE 250	Support Services	£2.78	10.6	6.6%	9.2	1.8%	71%	7%	4.5	£142
117	Carr's Group PLC	CARR	Small Cap	Food Producers	£1.43	11.1	2.6%	16.0	7.8%	75%	9%	4.1	£10
189	Centaur Media PLC	CAU	Small Cap	Media	£0.51	12.3	5.9%	12.5	-3.9%	58%	5%	4.6	£5
11	Centrica PLC	CNA	FTSE 100	Gas, Water & Multiutilities	£2.05	7.0	5.9%	7.8	5.2%	75%	12%	4.5	£1,433
210	Charles Taylor PLC	CTR	Small Cap	Support Services	£2.60	17.6	3.8%	15.9	-1.6%	58%	6%	2.9	£8
148	Chemring Group PLC	CHG	Small Cap	Aerospace & Defense	£1.37	153.9	1.5%	6.4	-8.4%	54%	9%	4.6	£35
21	Chesnara PLC	CSN	Small Cap	Life Insurance	£3.06	16.8	6.2%	13.0	5.6%	75%	13%	N/K	£30
155	Cineworld Group PLC	CINE	FTSE 250	Travel & Leisure	£5.63	16.6	3.1%	28.1	8.6%	83%	8%	6.4	£48
32	City of London Investment Group PLC	CLIG	Small Cap	Financial Services	£3.05	11.7	7.9%	12.3	5.0%	46%	46%	0.0	£7
140	Clarkson PLC	CKN	FTSE 250	Industrial Transportation	£23.20	20.2	2.7%	20.0	2.1%	79%	13%	2.0	£23
226	Close Brothers Group PLC	CBG	FTSE 250	Financial Services	£13.59	11.7	3.9%	18.4	3.2%	58%	2%	57.4	£120
23	Cobham PLC	COB	FTSE 250	Aerospace & Defense	£1.64	30.4	6.8%	11.6	5.8%	75%	12%	9.4	£159
149	Communis PLC	CMS	Small Cap	Support Services	£0.39	7.2	5.6%	7.2	-0.8%	67%	4%	7.2	£9
79	Compass Group PLC	CPG	FTSE 100	Travel & Leisure	£12.88	23.6	2.3%	35.1	11.9%	96%	13%	3.6	£822
81	Computacenter PLC	CCC	FTSE 250	Software & Computer Services	£8.47	17.6	2.5%	23.0	8.0%	83%	13%	0.1	£59
123	Connect Group PLC	CNCT	Small Cap	Support Services	£1.60	9.2	5.8%	9.9	4.3%	71%	-46%	4.5	£36
236	Consort Medical PLC	CSRT	Small Cap	Health Care Equipment & Services	£9.70	24.5	1.9%	25.6	-0.7%	42%	9%	11.4	£13
163	Costain Group PLC	COST	Small Cap	Construction & Materials	£3.61	17.0	3.0%	18.1	2.3%	63%	13%	2.4	£16
141	Cranswick PLC	CWK	FTSE 250	Food Producers	£23.07	22.9	1.6%	31.3	8.0%	92%	12%	0.1	£41
237	CRH PLC	CRH	FTSE 100	Construction & Materials	£20.82	28.1	2.2%	24.2	-4.3%	54%	3%	14.4	£472
48	Croda International PLC	CRDA	FTSE 250	Chemicals	£29.50	21.1	2.4%	29.9	15.5%	83%	17%	1.8	£174
218	Dairy Crest Group PLC	DCG	FTSE 250	Food Producers	£5.54	12.5	4.0%	14.8	-2.6%	50%	7%	18.9	£18
221	Darty PLC	DRTY	FTSE 250	General Retailers	£1.68	39.5	1.5%	18.0	-15.1%	38%	10%	5.6	£40
216	DCC PLC	DCC	FTSE 100	Support Services	£62.60	27.4	1.6%	41.3	9.3%	75%	8%	9.8	£149
52	De La Rue PLC	DLAR	Small Cap	Support Services	£5.66	13.4	4.4%	11.1	-1.6%	46%	46%	3.2	£46
231	Dechra Pharmaceuticals PLC	DPH	FTSE 250	Pharmaceuticals & Biotechnology	£11.69	50.7	1.4%	64.6	3.6%	83%	8%	2.1	£16
89	Devro PLC	DVO	Small Cap	Food Producers	£2.51	16.5	3.5%	17.2	8.4%	67%	11%	4.6	£29
57	Diageo PLC	DGE	FTSE 100	Beverages	£18.83	19.4	3.0%	23.6	7.3%	88%	13%	4.3	£2,380
193	Dignity PLC	DTY	FTSE 250	General Retailers	£25.50	22.3	0.6%	38.0	10.8%	83%	8%	12.8	£47
40	Diploma PLC	DPLM	FTSE 250	Support Services	£7.45	19.1	2.4%	32.1	16.4%	92%	17%	0.6	£36
37	Domino's Pizza UK & IRL PLC	DOM	FTSE 250	Travel & Leisure	£10.50	29.4	2.0%	51.9	17.5%	100%	39%	0.3	£43
143	Drax Group PLC	DRX	FTSE 250	Electricity	£3.12	7.2	1.8%	5.3	-5.0%	54%	8%	1.7	£194
207	DS Smith PLC	SMDS	FTSE 250	General Industrials	£3.86	19.0	3.0%	32.3	10.9%	71%	6%	6.3	£126
31	Dunelm Group PLC	DNLM	FTSE 250	General Retailers	£9.48	20.0	2.3%	31.4	18.1%	100%	35%	1.1	£80
153	Electrocomponents PLC	ECM	FTSE 250	Support Services	£2.89	15.9	4.1%	18.0	2.3%	54%	12%	2.8	£76
100	Elementis PLC	ELM	FTSE 250	Chemicals	£2.10	16.2	2.8%	17.9	11.8%	67%	11%	0.0	£72
115	Essentra PLC	ESNT	FTSE 250	Support Services	£8.34	20.1	2.5%	32.5	14.4%	83%	11%	5.2	£78

Stock Screen - Sorted by Name

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Rank	Name	EPIC	Index	Sector	Share Price	PE Ratio	Dividend Yield	PE10	Growth Rate	Growth Quality	Net Prof.	Debt Ratio	Earnings Power
55	Euromoney Institutional Investor PLC	ERM	FTSE 250	Media	£9.59	10.3	2.4%	19.8	8.3%	75%	17%	0.0	£76
202	Experian PLC	EXPN	FTSE 100	Support Services	£12.91	25.3	2.1%	33.1	7.9%	67%	12%	5.3	£425
33	Fenner PLC	FENR	Small Cap	Industrial Engineering	£1.44	11.3	8.3%	7.2	8.4%	67%	8%	5.0	£47
26	Ferrexpo PLC	FXPO	Small Cap	Industrial Metals & Mining	£0.32	7.2	6.6%	1.2	3.5%	58%	15%	3.5	£174
135	Fidessa Group PLC	FDSA	FTSE 250	Software & Computer Services	£23.62	30.9	1.6%	35.6	7.8%	83%	17%	0.0	£29
109	Fisher (James) & Sons PLC	FSJ	Small Cap	Industrial Transportation	£14.38	16.4	1.7%	26.6	12.2%	96%	9%	3.4	£35
181	FTSE 100				6,271	35.2	4.0%	14.8	1.6%	50%	10%		
180	Fuller Smith & Turner PLC	FSTA	Small Cap	Travel & Leisure	£10.38	20.7	1.6%	28.3	8.7%	96%	6%	6.7	£25
208	G4S PLC	GFS	FTSE 250	Support Services	£1.90	14.7	5.0%	17.4	-1.5%	63%	5%	17.2	£132
158	Galliford Try PLC	GFRD	FTSE 250	Household Goods & Home Construction	£14.04	11.9	4.8%	20.5	8.5%	71%	8%	3.0	£61
205	Genus PLC	GNS	FTSE 250	Pharmaceuticals & Biotechnology	£15.46	20.5	1.3%	36.8	8.7%	92%	5%	2.8	£34
54	GlaxoSmithKline PLC	GSK	FTSE 100	Pharmaceuticals & Biotechnology	£14.52	19.2	5.5%	16.2	0.4%	71%	18%	4.6	£3,600
172	Go-Ahead Group (The) PLC	GOG	FTSE 250	Travel & Leisure	£25.84	14.8	3.5%	17.1	1.0%	58%	12%	5.6	£60
43	Goodwin PLC	GDWN	Small Cap	Industrial Engineering	£19.52	9.1	2.2%	14.0	11.4%	71%	18%	1.4	£12
234	Greencore Group PLC	GNC	FTSE 250	Food Producers	£3.53	23.9	1.7%	31.4	5.4%	58%	7%	4.8	£58
191	Greene King PLC	GNK	FTSE 250	Travel & Leisure	£8.93	14.7	3.3%	16.1	3.8%	71%	4%	12.8	£124
111	Greggs PLC	GRG	FTSE 250	Food & Drug Retailers	£11.39	19.4	2.5%	29.2	6.1%	83%	18%	0.0	£44
70	Halfords Group PLC	HFD	FTSE 250	General Retailers	£4.49	13.6	3.7%	13.6	1.5%	71%	15%	1.3	£67
127	Halma PLC	HLMA	FTSE 250	Electronic & Electrical Equipment	£9.34	34.6	1.3%	48.4	9.5%	96%	14%	1.6	£90
38	Hansard Global PLC	HSD	Small Cap	Life Insurance	£1.13	10.0	7.7%	9.6	-6.2%	58%	32%	N/K	£13
161	Hays PLC	HAS	FTSE 250	Support Services	£1.37	18.6	2.0%	19.4	-3.9%	58%	22%	1.2	£84
145	Headlam Group PLC	HEAD	Small Cap	Household Goods & Home Construction	£4.95	14.8	4.2%	18.0	0.5%	75%	11%	0.9	£23
201	Henderson Group PLC	HGG	FTSE 250	Financial Services	£2.67	19.8	3.9%	33.2	5.1%	67%	10%	1.7	£88
126	Hikma Pharmaceuticals PLC	HIK	FTSE 250	Pharmaceuticals & Biotechnology	£22.25	24.4	1.0%	47.1	21.6%	83%	12%	3.8	£130
154	Hill & Smith Holdings PLC	HILS	Small Cap	Industrial Engineering	£9.48	17.7	2.2%	25.3	6.6%	88%	10%	3.3	£32
53	Hilton Food Group PLC	HFG	Small Cap	Food Producers	£6.00	22.0	2.4%	26.9	7.6%	88%	25%	2.2	£18
80	Hiscox Ltd	HSX	FTSE 250	Nonlife Insurance	£9.76	13.9	2.5%	17.9	6.4%	75%	14%	N/K	£173
182	Hogg Robinson Group PLC	HRG	Small Cap	Support Services	£0.70	10.3	3.6%	11.1	2.1%	58%	8%	3.4	£23
203	Home Retail Group PLC	HOME	FTSE 250	General Retailers	£1.67	49.6	2.3%	9.2	-13.5%	29%	4%	0.0	£96
83	Homeserve PLC	HSV	FTSE 250	Support Services	£4.88	25.3	2.6%	22.6	5.0%	79%	17%	3.2	£69
97	HSBC Holdings PLC	HSBA	FTSE 100	Banks	£4.48	10.4	7.7%	9.4	0.8%	67%	8%	N/A	£9,645
67	Hunting PLC	HTG	Small Cap	Oil Equipment, Services & Distribution	£3.08	30.1	2.1%	9.9	9.2%	67%	5%	2.0	£57
178	Huntsworth PLC	HNT	Small Cap	Media	£0.46	12.1	3.8%	7.1	-2.8%	42%	7%	2.6	£15
179	ICAP PLC	IAP	FTSE 250	Financial Services	£4.29	48.1	5.1%	15.7	-2.6%	42%	11%	3.4	£172
14	IG Group Holdings PLC	IGG	FTSE 250	Financial Services	£7.97	22.1	3.5%	26.1	13.5%	88%	26%	0.0	£137
51	IMI PLC	IMI	FTSE 250	Industrial Engineering	£10.03	16.7	3.8%	16.6	5.2%	75%	17%	1.8	£204
85	Imperial Brands PLC	IMB	FTSE 100	Tobacco	£37.86	17.2	3.7%	23.9	14.5%	71%	10%	7.4	£1,922
213	Informa PLC	INF	FTSE 100	Media	£6.68	22.9	3.0%	26.5	4.9%	71%	6%	5.1	£181
106	Inmarsat PLC	ISAT	FTSE 100	Mobile Telecommunications	£7.49	20.0	4.6%	20.2	7.4%	71%	10%	7.4	£197
150	InterContinental Hotels Group PLC	IHG	FTSE 100	Travel & Leisure	£26.71	21.6	2.6%	25.9	4.8%	75%	19%	4.6	£242
142	Intermediate Capital Group PLC	ICP	FTSE 250	Financial Services	£6.70	11.3	3.8%	13.1	-1.6%	63%	12%	12.7	£164
15	International Personal Finance PLC	IPF	FTSE 250	Financial Services	£2.74	7.2	4.5%	7.7	12.4%	75%	10%	4.5	£124
50	Interserve PLC	IRV	FTSE 250	Support Services	£3.33	8.0	7.3%	10.0	4.6%	75%	8%	9.1	£47
75	Intertek Group PLC	ITRK	FTSE 100	Support Services	£31.50	21.1	1.7%	31.7	14.0%	92%	14%	4.4	£204
200	Investec PLC	INVP	FTSE 250	Financial Services	£4.87	13.0	4.3%	12.7	-0.7%	63%	1%	117.1	£334
9	ITE Group PLC	ITE	Small Cap	Media	£1.40	12.3	5.3%	11.6	6.3%	71%	27%	2.1	£34
34	Jardine Lloyd Thompson Group PLC	JLT	FTSE 250	Nonlife Insurance	£9.20	17.0	3.3%	20.4	7.2%	79%	35%	N/K	£117
77	JD Sports Fashion PLC	JD.	FTSE 250	General Retailers	£12.96	20.3	0.6%	40.5	14.6%	88%	26%	0.1	£77
128	Johnson Matthey PLC	JMAT	FTSE 100	Chemicals	£28.83	16.6	2.3%	23.6	8.8%	75%	11%	3.5	£307
99	KCOM Group PLC	KCOM	Small Cap	Fixed Line Telecommunications	£1.08	11.6	5.0%	16.7	6.1%	50%	19%	2.8	£39
157	Keller Group PLC	KLR	FTSE 250	Construction & Materials	£9.49	7.8	2.9%	12.6	3.1%	71%	9%	5.0	£49
116	Kier Group PLC	KIE	FTSE 250	Construction & Materials	£12.50	15.9	4.8%	16.6	2.8%	58%	13%	9.7	£45
165	Kingfisher PLC	KGF	FTSE 100	General Retailers	£3.75	14.0	1.8%	17.0	6.9%	67%	8%	0.5	£640
65	Ladbroke PLC	LAD	FTSE 250	Travel & Leisure	£1.36	13.1	2.2%	6.0	-6.2%	46%	21%	2.8	£132
229	Laird PLC	LRD	FTSE 250	Technology Hardware & Equipment	£3.53	28.6	3.7%	26.7	2.6%	71%	4%	7.2	£37
186	Lavendon Group PLC	LVD	Small Cap	Support Services	£1.27	7.8	4.3%	6.9	-4.5%	67%	6%	5.8	£23
24	Legal & General Group PLC	LGEN	FTSE 100	Life Insurance	£2.40	12.0	5.6%	20.8	19.4%	71%	17%	N/K	£966
235	London Stock Exchange Group PLC	LSE	FTSE 100	Financial Services	£27.24	35.4	1.3%	41.7	7.2%	63%	8%	6.6	£225
168	Low & Bonar PLC	LWB	Small Cap	Construction & Materials	£0.57	12.4	4.9%	12.3	3.7%	58%	4%	7.7	£18
159	Man Group PLC	EMG	FTSE 250	Financial Services	£1.37	16.2	5.0%	7.8	-16.7%	46%	8%	0.6	£171
132	Marks & Spencer Group PLC	MKS	FTSE 100	General Retailers	£3.87	11.4	4.8%	11.1	0.1%	63%	9%	3.9	£538
239	Marshalls PLC	MSLH	FTSE 250	Construction & Materials	£3.30	23.5	2.1%	36.1	-2.0%	46%	5%	2.1	£17
183	Marston's PLC	MARS	FTSE 250	Travel & Leisure	£1.57	12.5	4.5%	10.6	-1.2%	63%	3%	17.2	£84
64	Mears Group PLC	MER	Small Cap	Support Services	£3.87	19.3	2.8%	19.1	10.6%	92%	9%	3.1	£22
139	Meggitt PLC	MGGT	FTSE 250	Aerospace & Defense	£3.88	15.2	3.7%	16.3	7.2%	75%	5%	5.5	£218
240	Melrose Industries PLC	MRO	FTSE 250	Industrial Engineering	£3.80	-575.8	1.4%	60.7	-1.3%	63%	4%	8.4	£68
91	Menzies (John) PLC	MNZS	Small Cap	Support Services	£5.03	20.2	3.3%	11.9	3.6%	63%	11%	5.4	£29
144	Michael Page International PLC	MPI	FTSE 250	Support Services	£4.02	18.9	2.9%	22.4	2.1%	67%	27%	0.0	£54
72	Micro Focus International PLC	MCRO	FTSE 250	Software & Computer Services	£16.00	22.1	1.9%	42.9	20.9%	79%	44%	12.8	£83
192	Millennium & Copthorne Hotels PLC	MLC	FTSE 250	Travel & Leisure	£4.43	10.3	1.4%	10.8	6.5%	50%	4%	5.3	£158
18	Mitie Group PLC	MITO	FTSE 250	Support Services	£2.83	10.4	4.3%	14.0	7.3%	88%	12%	3.5	£83
196	Mondi PLC	MNDI	FTSE 100	Forestry & Paper	£13.59	12.6	3.0%	25.8	13.7%	67%	5%	2.6	£440
136	Moneysupermarket.com Group PLC	MONY	FTSE 250	Media	£3.30	28.4	2.8%	70.0	19.9%	83%	10%	0.8	£39
122	Morgan Advanced Materials PLC	MGAM	FTSE 250	Electronic & Electrical Equipment	£2.49	11.9	4.4%	11.6	3.9%	63%	9%	4.0	£66
174	Morgan Sindall PLC	MGNS	Small Cap	Construction & Materials	£7.92	-34.0	3.7%	13.3	-12.7%	38%	12%	4.0	£15
41	Morrison (Wm) Supermarkets PLC	MRW	FTSE 100	Food & Drug Retailers	£1.98	22.9	2.5%	7.9	7.2%	71%	8%	3.1	£704
173	National Grid PLC	NG.	FTSE 100	Gas, Water & Multiutilities	£10.09	14.6	4.3%	17.8	3.0%	75%	5%	13.1	£2,165
84	NCC Group PLC	NCC	FTSE 250	Software & Computer Services	£2.90	36.3	1.4%	51.9	19.5%	96%	14%	4.4	£15
19	Next PLC	NXT	FTSE 100	General Retailers	£55.35	12.4	2.9%	19.9	11.6%	83%	43%	1.7	£555
62	Novae Group PLC	NVA	Small Cap	Nonlife Insurance	£8.44	10.7	3.2%	18.0	10.4%	75%	12%	N/K	£33

Stock Screen - Sorted by Name

Colour coding rules and column descriptions can be found in the appendices

Rank	Name	EPIC	Index	Sector	Share Price	PE Ratio	Dividend Yield	PE10	Growth Rate	Growth Quality	Net Prof.	Debt Ratio	Earnings Power
162	Old Mutual PLC	OML	FTSE 100	Life Insurance	£1.78	12.7	5.0%	15.4	5.0%	54%	8%	N/K	£654
176	Oxford Instruments PLC	OXIG	Small Cap	Electronic & Electrical Equipment	£6.40	61.7	2.0%	25.4	22.7%	67%	7%	6.9	£21
49	Paddy Power Betfair PLC	PPB	FTSE 100	Travel & Leisure	£91.45	47.6	2.0%	68.4	17.1%	92%	39%	1.4	£105
131	Paragon Group of Companies (The) PLC	PAG	FTSE 250	Financial Services	£3.12	8.5	3.5%	6.5	-2.6%	71%	12%	100.6	£100
29	PayPoint PLC	PAY	FTSE 250	Support Services	£9.60	16.4	4.4%	22.3	7.6%	83%	34%	0.0	£35
185	Pennon Group PLC	PNN	FTSE 250	Gas, Water & Multiutilities	£8.69	22.1	3.9%	23.4	4.7%	79%	4%	21.5	£147
1	Petrofac Ltd	PFC	FTSE 250	Oil Equipment, Services & Distribution	£7.84	9.1	5.7%	10.4	14.5%	83%	29%	5.7	£316
96	Playtech PLC	PTEC	FTSE 250	Travel & Leisure	£8.51	24.6	2.4%	33.4	16.6%	71%	15%	3.7	£91
195	Porvair PLC	PRV	Small Cap	Industrial Engineering	£3.24	21.1	1.1%	35.9	11.6%	88%	6%	0.5	£5
82	Premier Farnell PLC	PFL	Small Cap	Support Services	£1.20	13.3	5.2%	8.8	0.1%	33%	13%	5.6	£48
130	Provident Financial PLC	PFG	FTSE 100	Financial Services	£29.14	18.8	4.1%	29.2	9.5%	75%	9%	8.9	£180
22	Prudential PLC	PRU	FTSE 100	Life Insurance	£13.94	13.5	2.8%	21.6	12.0%	88%	19%	N/K	£2,040
164	PZ Cussons PLC	PZC	FTSE 250	Personal Goods	£3.49	20.2	2.3%	24.3	6.6%	75%	10%	3.0	£71
233	QinetiQ Group PLC	QQ	FTSE 250	Aerospace & Defense	£2.44	11.7	2.3%	18.2	0.4%	58%	8%	0.0	£97
198	Randgold Resources Ltd	RRS	FTSE 100	Mining	£57.35	42.3	0.8%	42.4	24.7%	75%	7%	0.0	£192
125	Rathbone Brothers PLC	RAT	FTSE 250	Financial Services	£19.75	20.3	2.8%	26.9	5.3%	75%	16%	39.1	£39
101	Reckitt Benckiser Group PLC	RB	FTSE 100	Household Goods & Home Construction	£68.73	27.3	2.0%	32.9	7.3%	83%	21%	1.4	£1,728
215	Regus PLC	RGU	FTSE 250	Support Services	£3.17	23.9	1.4%	40.7	8.0%	79%	9%	3.4	£75
206	RELX PLC	REL	FTSE 100	Media	£12.50	25.8	2.4%	31.8	4.2%	63%	14%	3.9	£999
59	Renishaw PLC	RSW	FTSE 250	Electronic & Electrical Equipment	£19.70	11.8	2.4%	28.0	18.2%	79%	17%	0.0	£75
3	Restaurant Group (The) PLC	RTN	FTSE 250	Travel & Leisure	£3.60	10.7	4.8%	15.4	9.9%	100%	19%	0.6	£55
230	Rexam PLC	REX	FTSE 100	General Industrials	£6.27	16.8	2.8%	19.9	2.2%	58%	6%	5.4	£277
169	Ricardo PLC	RCDO	Small Cap	Support Services	£8.40	19.6	2.0%	26.7	5.4%	75%	14%	2.5	£18
66	Rightmove PLC	RMV	FTSE 250	Media	£42.25	37.4	1.0%	68.3	18.7%	88%	786%	0.0	£78
60	Rio Tinto PLC	RIO	FTSE 100	Mining	£19.64	26.6	7.3%	6.0	4.7%	54%	11%	2.6	£5,960
86	RM PLC	RM	Small Cap	Software & Computer Services	£1.38	8.3	3.6%	8.4	-4.4%	58%	19%	0.0	£13
151	Robert Walters PLC	RWA	Small Cap	Support Services	£3.30	16.9	2.1%	26.5	6.5%	75%	14%	2.6	£10
118	Rolls-Royce Group PLC	RR	FTSE 100	Aerospace & Defense	£6.15	110.6	2.7%	14.3	5.1%	75%	8%	5.7	£925
17	Rotork PLC	ROR	FTSE 250	Industrial Engineering	£1.96	23.1	2.6%	22.8	11.0%	92%	30%	1.3	£89
121	Royal Dutch Shell PLC	RDSB	FTSE 100	Oil & Gas Producers	£16.81	22.9	7.4%	8.2	0.3%	54%	9%	3.2	£12,434
156	RPC Group PLC	RPC	FTSE 250	General Industrials	£7.95	18.4	1.9%	30.3	13.6%	83%	9%	7.0	£73
88	RPS Group PLC	RPS	Small Cap	Support Services	£1.83	13.4	5.3%	12.5	6.0%	75%	7%	3.3	£30
199	RSA Insurance Group PLC	RSA	FTSE 100	Nonlife Insurance	£4.82	18.8	2.2%	16.7	-19.4%	38%	10%	N/K	£213
110	S & U PLC	SUS	Small Cap	Financial Services	£22.73	17.1	3.3%	28.0	8.8%	83%	10%	2.5	£12
211	SABMiller PLC	SAB	FTSE 100	Beverages	£42.83	27.1	2.0%	36.3	8.0%	79%	8%	3.6	£2,248
160	Sage Group (The) PLC	SGE	FTSE 100	Software & Computer Services	£6.05	25.3	2.2%	32.8	5.5%	83%	13%	2.5	£246
147	Sainsbury (J) PLC	SBRY	FTSE 100	Food & Drug Retailers	£2.69	12.5	4.5%	10.9	1.8%	67%	5%	4.7	£517
170	Schroders PLC	SDR	FTSE 100	Financial Services	£27.36	16.2	3.2%	25.7	15.1%	75%	3%	N/K	£376
36	Senior PLC	SNR	FTSE 250	Aerospace & Defense	£2.17	13.0	2.9%	15.9	12.0%	79%	12%	2.9	£72
228	Severn Trent PLC	SVT	FTSE 100	Gas, Water & Multiutilities	£22.91	21.4	3.5%	24.9	2.3%	67%	3%	21.2	£232
223	Shanks Group PLC	SKS	Small Cap	Support Services	£0.81	22.6	4.3%	13.6	-2.2%	50%	3%	14.2	£22
13	Sky PLC	SKY	FTSE 100	Media	£9.72	21.3	3.4%	24.0	11.1%	92%	21%	7.7	£1,026
113	Smith & Nephew PLC	SN	FTSE 100	Health Care Equipment & Services	£11.79	21.8	1.8%	28.0	8.9%	83%	14%	2.4	£416
107	Smiths Group PLC	SMIN	FTSE 250	General Industrials	£11.23	13.2	3.7%	14.4	4.0%	67%	11%	3.8	£348
46	Spectris PLC	SXS	FTSE 250	Electronic & Electrical Equipment	£16.64	16.8	3.0%	19.0	10.1%	79%	12%	1.2	£126
214	Speedy Hire PLC	SDY	Small Cap	Support Services	£0.39	205.3	1.8%	7.1	-12.5%	54%	1%	6.2	£17
93	Spirax-Sarco Engineering PLC	SPX	FTSE 250	Industrial Engineering	£34.45	25.6	2.0%	29.8	8.5%	83%	17%	1.0	£99
63	SSE PLC	SSE	FTSE 100	Electricity	£15.44	14.0	5.8%	15.9	4.1%	83%	8%	7.3	£987
166	St Ives PLC	SIV	Small Cap	Support Services	£0.98	13.1	5.7%	7.7	-6.2%	50%	7%	5.8	£14
73	St James's Place PLC	STJ	FTSE 100	Life Insurance	£9.32	24.8	3.0%	42.8	20.3%	88%	15%	N/K	£153
7	Stagecoach Group PLC	SGC	FTSE 250	Travel & Leisure	£2.58	10.2	4.1%	12.2	8.1%	92%	14%	5.4	£145
76	Standard Chartered PLC	STAN	FTSE 100	Banks	£5.43	-16.0	1.7%	6.1	-0.3%	54%	11%	N/A	£2,105
134	Standard Life PLC	SL	FTSE 100	Life Insurance	£3.43	19.0	5.4%	18.0	4.0%	67%	10%	N/K	£453
119	SThree PLC	STHR	Small Cap	Support Services	£3.22	15.4	4.3%	19.6	1.3%	54%	26%	1.2	£20
146	Tate & Lyle PLC	TATE	FTSE 250	Food Producers	£6.26	16.8	4.5%	13.7	0.0%	63%	11%	3.3	£229
61	Ted Baker PLC	TED	FTSE 250	Personal Goods	£24.71	24.7	1.9%	43.8	16.4%	92%	23%	3.1	£32
20	Telecom plus PLC	TEP	FTSE 250	Fixed Line Telecommunications	£10.23	25.5	3.9%	36.4	17.4%	88%	36%	2.6	£26
167	Tribal Group PLC	TRB	Small Cap	Software & Computer Services	£0.54	12.2	0.9%	7.4	-8.9%	50%	12%	3.8	£10
103	Tullett Prebon PLC	TLPR	FTSE 250	Financial Services	£3.33	11.0	5.1%	7.9	-1.2%	42%	13%	3.6	£82
197	UBM PLC	UBM	FTSE 250	Media	£5.86	27.4	3.7%	18.4	-1.7%	54%	11%	5.7	£101
238	UDG Healthcare PLC	UDG	FTSE 250	Health Care Equipment & Services	£6.01	32.7	1.4%	35.6	0.3%	71%	7%	7.7	£42
44	UK Mail Group PLC	UKM	Small Cap	Industrial Transportation	£3.20	21.8	5.1%	14.0	3.3%	58%	18%	0.3	£13
112	Ultra Electronics Holdings PLC	ULE	FTSE 250	Aerospace & Defense	£17.48	37.3	2.6%	21.3	7.8%	67%	15%	5.2	£66
171	Unilever PLC	ULVR	FTSE 100	Personal Goods	£31.52	24.3	2.8%	26.1	3.1%	67%	15%	3.0	£3,501
219	United Utilities Group PLC	UU	FTSE 100	Gas, Water & Multiutilities	£9.71	14.3	4.0%	19.1	0.3%	67%	3%	18.1	£386
30	Vedanta Resources PLC	VED	FTSE 250	Mining	£3.80	0.3	5.5%	1.1	18.0%	63%	3%	9.3	£1,217
5	Victrex PLC	VCT	FTSE 250	Chemicals	£14.56	14.8	3.2%	21.0	14.8%	92%	22%	0.0	£76
95	Vitec Group (The) PLC	VTC	Small Cap	Industrial Engineering	£5.02	8.9	4.9%	9.8	3.3%	54%	11%	3.5	£26
74	Vodafone Group PLC	VOD	FTSE 100	Mobile Telecommunications	£2.33	11.6	4.9%	12.2	2.6%	83%	7%	5.1	£8,809
212	Vp PLC	VP	Small Cap	Support Services	£7.20	18.3	2.3%	30.2	5.2%	79%	7%	6.5	£11
25	Weir Group PLC	WEIR	FTSE 250	Industrial Engineering	£12.12	19.1	4.9%	12.5	14.2%	75%	11%	3.8	£267
98	WH Smith PLC	SMWH	FTSE 250	General Retailers	£17.55	20.1	2.2%	31.6	9.0%	75%	39%	0.2	£87
105	Whitbread PLC	WTB	FTSE 100	Travel & Leisure	£42.49	19.6	2.1%	29.2	13.0%	100%	10%	3.0	£325
68	William Hill PLC	WMH	FTSE 250	Travel & Leisure	£3.13	15.7	4.0%	13.5	3.9%	79%	10%	3.5	£193
209	Wireless Group PLC	WLG	Small Cap	Media	£1.71	20.2	4.4%	10.7	-2.4%	42%	7%	4.2	£13
102	Wood Group (John) PLC	WG	FTSE 250	Oil Equipment, Services & Distribution	£6.16	24.4	3.4%	8.7	9.1%	63%	9%	2.1	£165
120	WPP Group PLC	WPP	FTSE 100	Media	£15.83	16.9	2.8%	23.5	12.2%	88%	7%	4.9	£1,138
177	Xaar PLC	XAR	Small Cap	Electronic & Electrical Equipment	£4.77	19.2	2.0%	29.0	23.4%	54%	14%	0.0	£19
16	XP Power Ltd	XPP	Small Cap	Electronic & Electrical Equipment	£16.50	16.1	4.0%	21.7	14.6%	79%	22%	0.5	£19
227	Zotefoams PLC	ZTF	Small Cap	Chemicals	£3.00	27.5	1.9%	31.6	4.9%	71%	9%	1.8	£4

Appendix 1: Metrics, maximums and minimums

Financial metrics on the stock screen

Rank: The company's rank on the screen, with 1 being the highest rank. The rank is calculated by sorting all of the companies on the screen by each key factor (Growth, Quality, PE10, PD10, Profitability), creating a rank for each factor and then adding those individual ranks together.

PE: The price to earnings ratio. This is included just for information and doesn't form part of the ranking calculation.

Yield: The historic dividend yield. This is included for information only and doesn't form part of the ranking calculation. Instead, each company's rank is based on PD10, the ratio between the current share price and the average dividend paid over the past 10 years.

PE10: The ratio between the current share price and the company's average adjusted earnings per share over the past 10 years. This is used in the rank calculation. (MAXIMUM = 30)

Growth: The company's Growth Rate. This is used in the rank calculation. It is the average growth of revenues, earnings and dividends where growth in each is measured as the annualised growth of a 3-year rolling average over the past 7 years. (MINIMUM = 2%)

Quality: The company's Growth Quality. This is used in the rank calculation. It is the percentage of times that a profit has been made, and that revenues, earnings and dividends have increased, measured over the past decade. (MINIMUM 50%)

Net Prof.: The company's 10-year median net (post-tax) profitability. (MINIMUM 7%). Calculated as:

ROCE (for non-financial companies): Adjusted profit after tax / (fixed assets + working capital)

ROE (for banks and insurance companies): Adjusted profit after tax / shareholder's equity

Debt: Debt Ratio – The ratio between a company's total borrowings (total interest bearing debt) and its Current Earnings Power (CEP). Provides a rough guide to a company's ability to carry its debts in good times and bad. This is "N/A" (not applicable) for banks (where I use a series of ratios defined by banking regulators: Common Equity Tier 1 Ratio for leverage and the Liquidity Coverage Ratio and Net Stable Funding Ratio for liquidity). For insurance companies the Debt Ratio is "N/K" (not known) as I do not have data on borrowings for insurance companies. (MAXIMUM = 4 for cyclical sector companies, 5 for defensive sector companies)

Earnings Power: Current Earnings Power (£m). Calculated as 5-year average normalised profit after tax. Used in the Debt Ratio and Pension Ratio.

Financial metrics used to analyse companies but which are not on the stock screen

Pension Ratio: The ratio between the company's defined benefit pension obligations and its Earnings Power. (MAXIMUM = 10)

Sum of Debt and Pension Ratio: (MAXIMUM = 10)

FCF/Div: 10-yr total free cash flow to 10-year total dividend ratio. Preferred value is above 1, but this is not a hard rule.

Capex/earnings: 10-yr total capital expenditure to 10-yr total adjusted earnings (post-tax profit) ratio. No hard rule but below 0.5 is defined as LOW, 0.5 to 1 is MEDIUM, above 1 is HIGH.

Acquisition Ratio: The ratio between cash spent on acquisitions and earnings. (MAXIMUM 10-YR AVG = 1)

Insurance company metrics

Premium to Surplus Ratio: A measure of how cautious an insurance company's underwriting business is. Calculated as the ratio between Net Written Premium and Tangible Net Asset Value. (MAXIMUM 5-YR AVG = 2)

Combined Ratio: Shows whether or not an insurance company is making a profit on its underwriting business. Calculated as the sum of Loss Ratio and Expense Ratio. (MAXIMUM 5-YR AVG = 95%)

Bank metrics

Common Equity Tier 1 Ratio (CET1): A measure of bank leverage. Calculated as the percentage of "high quality" capital relative to risk-adjusted assets. (MINIMUM 5-YR AVG = 12%)

Appendix 2: Strategy overview and stock screen colour-coding

Portfolio management

Deliberate diversification - To reduce the risks that come with each individual company it is generally considered a good idea to hold a widely diversified portfolio. The Model Portfolio is diversified in terms of the number of companies (with a target of 30 equally weighted holdings), the industrial spread of those companies (no more than 2 or 3 from the same Sector) and their geographic spread (no more than 50% of portfolio revenue to be generated in the UK).

Continuous portfolio improvement - A portfolio is a dynamic entity much like a garden. If left unmanaged (as with a pure buy-and-hold portfolio) there is a risk that over time it will drift away from its original goal. For example, a high yield portfolio may become an average yield portfolio if the share prices of all the holdings increase faster than the dividends.

To avoid this the portfolio is actively managed so that it always contains a majority of high quality companies with attractively valued shares. Each month a company is either added to or removed from the portfolio based on its Stock Screen rank and various other factors.

Monthly buy and sell decisions

Buy decisions - The first step in each buy decision is to look through the Stock Screen for the highest ranked stock which is not already in the portfolio and which meets all the initial criteria (e.g. Debt Ratio under 5, Profitability above 7%).

The second step is to enter the company's financial results from the past decade into the investment analysis spreadsheet (available on the website) so that some additional quantitative checks can be carried out (such as calculating the Pension Ratio, Free Cash Flow to Dividend Ratio or Premium to Surplus Ratio).

If all the financial results look okay then the next step is to review the operational history of the company over the past decade. This involves reading the opening sections of each annual report, as well as more recent interim and quarterly results, in order to build up a picture of what the company does and what problems it has faced or is facing. This analysis is used to answer the YES/NO questions in the investment worksheet (available on the website), which are then used in combination with the financial results to make a final buy or no-buy decision.

Sell decisions - Sell decisions are based primarily on a company's stock screen rank, with the lowest ranked companies most likely to be sold. However, there is a degree of subjectivity involved and it isn't a purely mechanical process. For example, companies which are surrounded by a reasonable amount of good news are more likely to be sold than those which are still unloved, or which are still in the middle of a turnaround strategy.

Stock screen colour coding

- **Ranking Factors (PE10, Growth, Quality, Net Prof.) and Yield:**

- Green** = Better than FTSE 100
- Light Red** = Worse than FTSE 100
- Dark Red** = Above maximum or below minimum

- **Debt Ratio:**

- Green** = Below 4 (acceptable for all companies)
- Light Red** = Between 4 and 5 (only acceptable for defensive sector companies)
- Dark Red** = Above 5 (too high for all companies)

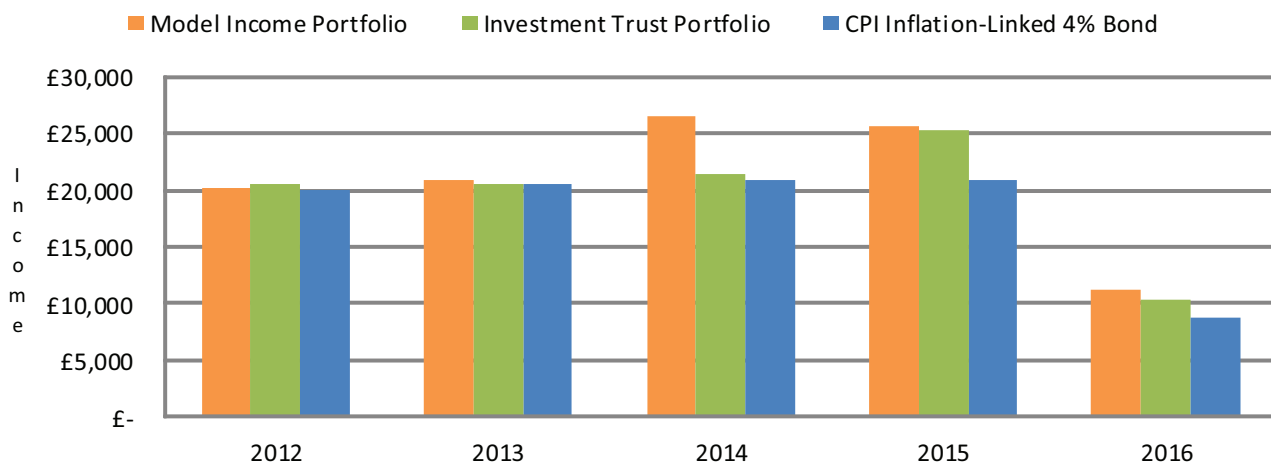
- **Rank:**

- Green** = Above average rank; **Amber** = Average rank; **Dark Red** = Below average rank

Appendix 3: Model Income Portfolio

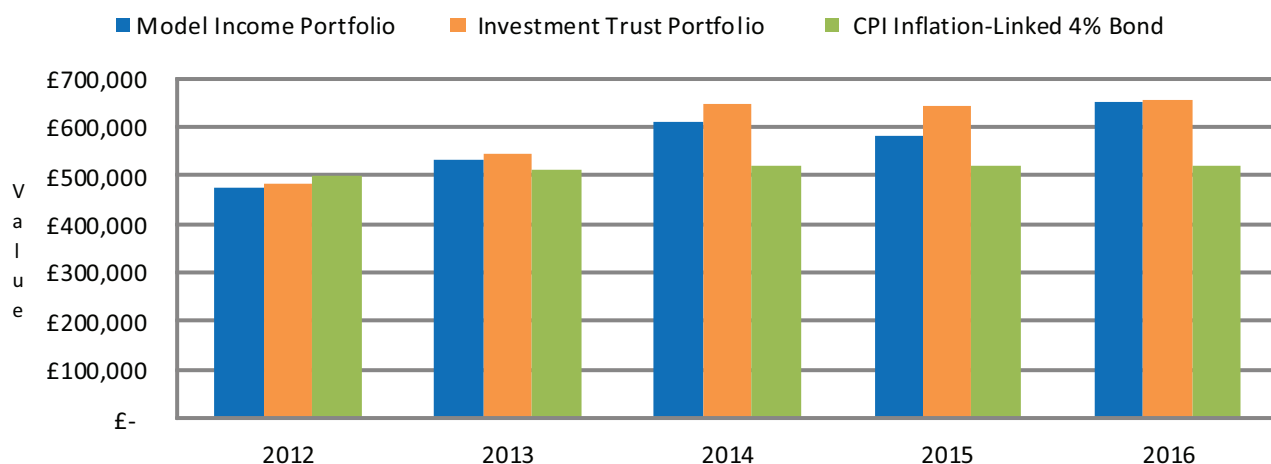
This portfolio holds the same shares as Model Portfolio and represents the portfolio of an investor who is in the income drawdown phase. It started with £500,000 in March 2011 and pays out all dividends as income. The goal of the portfolio is to show that equities in the drawdown phase can produce inflation-beating dividend and capital growth over the medium to long-term. The Model Income Portfolio is benchmarked against an Investment Trust Portfolio and a 4% Inflation-Linked Bond.

Dividends Withdrawn



Annual Dividend Income Withdrawn	Model Income Portfolio	Investment Trust Portfolio	4% Inflation-Linked Bond
2012	£20,250	£20,525	£20,000
2013	£20,856	£20,575	£20,504
2014	£26,512	£21,408	£20,797
2015	£25,665	£25,215	£20,846
2016	£11,153	£10,276	£8,692
Cumulative income	£104,436	£97,999	£90,839

Capital value as at 1st January



This chart of capital value is included to show how capital growth should approximately track dividend growth over the years. The 4% Inflation-Linked Bond has a capital value which increases in line with CPI inflation from £500k on 01/01/12. The Model Income Portfolio and the Investment Trust Portfolio should both produce capital gains which at least match the Inflation-Linked Bond over the long-term.

Appendix 4: Index of current holdings reviews

Use this index to find purchase, annual and interim reviews in back issues of the newsletter

Name	EPIC	Index	Sector	Purchase Review	Annual Reviews	Interim Reviews
Aberdeen Asset Management PLC	ADN	FTSE 100	Financial Services	February (2016)	None yet	June (2016)
Admiral Group PLC	ADM	FTSE 100	Nonlife Insurance	November (2013)	April (2014, 2015, 2016)	September (2014, 2015)
Aggreko PLC	AGK	FTSE 250	Support Services	January (2016)	April (2016)	None yet
AstraZeneca PLC	AZN	FTSE 100	Pharmaceuticals & Biotechnology	July (2015)	March (2016)	August (2015)
BAE Systems PLC	BA.	FTSE 100	Aerospace & Defense	Purchased before issue # 1	March (2012, 2013, 2014, 2015, 2016)	August (2012, 2013, 2014, 2015)
Beazley PLC	BEZ	FTSE 250	Nonlife Insurance	September (2015)	March (2016)	None yet
BHP Billiton PLC	BLT	FTSE 100	Mining	Purchased before issue # 1	September (2012, 2013, 2014, 2015)	March (2012, 2013, 2014, 2015, 2016)
BP PLC	BP.	FTSE 100	Oil & Gas Producers	Purchased before issue # 1	March (2012, 2013, 2014, 2015, 2016)	August (2014)
Braemar Shipping Services PLC	BMS	Small Cap	Industrial Transportation	Purchased before issue # 1	June (2012, 2013, 2014, 2015, 2016)	November (2012, 2013, 2014, 2015)
British American Tobacco PLC	BATS	FTSE 100	Tobacco	September (2013)	March (2014, 2015, 2016)	August (2014, 2015)
Brown (N) Group PLC	BWNG	FTSE 250	General Retailers	November (2014)	May (2015, 2016)	November (2015)
Burberry Group PLC	BRBY	FTSE 100	Personal Goods	November (2015)	June (2016)	December (2015)
Centrica PLC	CNA	FTSE 100	Gas, Water & Multiutilities	August (2012)	March (2013, 2014, 2015, 2016)	August (2013, 2014, 2015)
Chemring Group PLC	CHG	Small Cap	Aerospace & Defense	Purchased before issue # 1	February (2012, 2013, 2014, 2015, 2016)	July (2012, 2013, 2014, 2015, 2016)
GlaxoSmithKline PLC	GSK	FTSE 100	Pharmaceuticals & Biotechnology	January (2015)	March (2015, 2016)	August (2015)
Homeserve PLC	HSV	FTSE 250	Support Services	August (2013)	June (2014, 2015, 2016)	December (2013, 2014, 2015)
IG Group Holdings PLC	IGG	FTSE 250	Financial Services	September (2014)	August (2015)	February (2015, 2016)
ITE Group PLC	ITE	Small Cap	Media	March (2015)	January (2016)	June (2016), July (2015)
Mitie Group PLC	MTO	FTSE 250	Support Services	Purchased before issue # 1	June (2012, 2013, 2014, 2015, 2016)	December (2012, 2013, 2014, 2015)
Morrison (Wm) Supermarkets PLC	MRW	FTSE 250	Food & Drug Retailers	May (2013)	April (2014, 2015, 2016)	October (2013, 2014, 2015)
Petrofac Ltd	PFC	FTSE 250	Oil Equipment, Services & Distribution	March (2014)	March (2015, 2016)	September (2014, 2015)
Reckitt Benckiser Group PLC	RB.	FTSE 100	Household Goods & Home Construction	February (2014)	March (2014, 2015, 2016)	August (2014, 2015)
Restaurant Group (The) PLC	RTN	FTSE 250	Travel & Leisure	April (2016)	None yet	None yet
Rio Tinto PLC	RIO	FTSE 100	Mining	September (2012)	March (2013, 2014, 2015, 2016)	September (2013, 2014, 2015)
SSE PLC	SSE	FTSE 100	Electricity	November (2011)	June (2012, 2013, 2014, 2015, 2016)	December (2012, 2013, 2014, 2015)
Standard Chartered PLC	STAN	FTSE 100	Banks	July (2014)	April (2015) March (2016)	September (2014, 2015)
Telecom plus PLC	TEP	FTSE 250	Fixed Line Telecommunications	May (2015)	July (2015)	December (2015)
Tesco PLC	TSCO	FTSE 100	Food & Drug Retailers	June (2012)	May (2013, 2014, 2015, 2016)	November (2012, 2013, 2014, 2015)
Tullett Prebon PLC	TLPR	FTSE 250	Financial Services	Purchased before issue # 1	April (2012, 2013, 2014, 2015, 2016)	August (2012, 2013, 2014, 2015)
Vodafone Group PLC	VOD	FTSE 100	Mobile Telecommunications	Purchased before issue # 1	June (2012, 2013, 2014, 2015, 2016)	December (2012, 2013, 2014, 2015)

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